

AND OF REAL ESTATE  
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# FINANCIAL TIMES

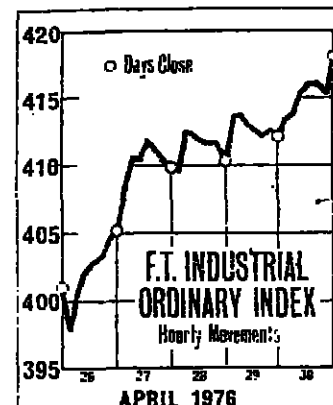
No. 26,958 Saturday May 1 1976 \*\* 10p

**LONGINES**  
times the  
Olympic Games

## MARKET SUMMARY

**Lebanon Equities**  
note gain 5.9 to 418.1; £ slips

● EQUITIES ended the Account on a firm note, with most of the day's gains in late dealings. The FT 30-Share Index rose 3.9



**0 arrested Pamplona**  
than 200 workers were...  
**nks in Lisbon**  
were being concentrated...

**expulsion**  
two Hungarian diplomats...  
**ssia revokes C invitation**  
a cancelled an invitation...

**awler holed**  
sh trawler Arctic Corsair...  
**ur pilots die**  
p pilots were killed when...

**another trial**  
trial of Mr. Donald Neilson...  
**riefly...**  
will be rather cool, with...

**EF PRICE CHANGES YESTERDAY**  
in pence unless otherwise indicated

**COMPANIES**  
● TOWN AND COMMERCIAL Properties is seeking a partial interest payment moratorium for 25 years from creditors. Back Page and Lex  
● HEPWORTH pre-tax profits fell to £132m. (£224m) in the half year to the end of February. Page 16 and Lex

## Italian Government resigns: new elections likely

BY DOMINICK J. COYLE ROME, April 30.

The Italian Government of Prime Minister Aldo Moro resigned to-night, making way for a general election—probably on June 20. It is widely felt that the Communist Party could emerge as the largest single force in Parliament, and probably take a direct role in Government.

The possibility of such an outcome is likely to mean that the "Italian question" will now become an issue in the U.S. Presidential campaign, and Dr. Henry Kissinger, the Secretary of State, has already warned that Communist Ministers in a government here could pose a real threat to the future of NATO. The similar, if somewhat less specific, view has come from President Ford himself.

Sig. Moro submitted his resignation, and that of his 11-week-old minority Christian Democrat Government, to President Giovanni Leone, after it had become apparent that his administration did not enjoy majority support in Parliament, although there was no formal vote of confidence as such to-night at the end of a three-day debate.

Instead, the Prime Minister, following a relatively brief reply before the Chamber of Deputies, called an emergency meeting of his Cabinet and late to-night went to the Quirinale Palace. As is usual in these circumstances, President Leone did not formally accept his resignation, and a decision to dissolve Parliament—following the normal "processes of consultation"—is not expected until next week. Forty-five days must then elapse before polling day.

Sig. Moro, speaking earlier in

## Major oil companies set to end petrol price war

BY RAY DAFTER, ENERGY CORRESPONDENT

THE PETROL price war appears to be coming to an abrupt end. Major oil companies, which have been backing cut-price offers at half the country's petrol stations, are now making public comment. But the group is expected to call a halt to discount trading very soon; a statement would be made to-day.

Petrol, which supplies 1,100 million gallons a year, has been sold at a discount of 10p a gallon since the end of this week. The group said that the remaining discount would depend on what happens in the market place. Mobil, with 1,300 outlets, was the last to announce the situation yesterday.

**Margins**  
The major companies are still anxiously waiting to see the extent of action taken by the other oil companies. Although the price of oil is still high, independent petrol groups are now making public comment. But the group is expected to call a halt to discount trading very soon; a statement would be made to-day.

## BAT-associate trust merger

BY MICHAEL LAFFERTY

BRITISH-AMERICAN Tobacco (BAT) is to merge with Tobacco Securities Trust (TST), an associated investment trust, creating a new holding company called BAT Industries with an expected market value of over £1bn.

The deal, which has been put together as a reverse takeover, has several advantages for both companies. It provides BAT with a cheap way of restructuring itself on a holding company basis. It makes sense for TST, which has been seeking a new role following its loss of authorised investment trust status last year.

It also offers a way of further disentangling the links between BAT and Imperial Group (Imperial), the other large British tobacco company, which will sell its 24.4 per cent holding in TST for £14.3m, cash.

News of the deal brought about a dramatic increase in TST's ordinary share price which closed 105p up at 300p, after a 10p rise to 290p.

Deferred shares were up 5p at 210p. BAT's shares closed 20p up at 395p, while Imp's were 3p up at 80p.

BAT formed TST as a subsidiary company in 1928 and out of it grew a number of overseas companies. BAT's shares were distributed to BAT shareholders, one of whom was Imp's. Today TST's assets include a substantial portfolio of overseas investments, some of which are unquoted. Some of these are in BAT companies. The TST directors say they are conscious of this and are anxious to ensure that the merger will bring all of these under the direct control of BAT Group.

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## Citibank cuts 1/4% off prime rate

By Stewart Fleming in New York and Michael Blandin in London

MOVING AGAINST the trend of short-term interest rates over the past week, Citibank yesterday announced a cut of a quarter point in its prime lending rate to commercial borrowers.

The bank has cut its prime rate from 6 1/2 per cent to 6 1/4 per cent. It had been at 6 1/2 per cent since February 27, when it moved up from 6 1/4 per cent. It has been fluctuating between 6 1/4 per cent and 7 per cent throughout this year.

The cut is likely to help the British authorities in their efforts to protect the pound from the pressures which developed last week. These prompted the officially-inspired jump in the Bank of England's minimum lending rate by 1 1/2 per cent to 10 1/2 per cent a week ago.

This MLR move, coupled with growing optimism about the talks on the next stage of the U.K. pay policy, have contributed to a marked recovery in sterling this week. Yesterday, with MLR unchanged and exchange markets quiet, the pound lost 10 points against the dollar at \$1.8405.

At this level, it was 1 1/2 cents higher than a week earlier, compared with lows of \$1.8355 touched during dealings on Monday. Its effective depreciation from December, 1971 levels was unchanged at 36.9 per cent, compared with 37.7 per cent on Monday.

## Policy doubts

The cut in Citibank's rate was announced amid increasing uncertainty in the money markets about the Federal Reserve Board's credit and interest rate policy. There has been a growing belief based partly on the trend in interest rates on Federal funds—bank reserves—that the Fed has recently raised its target rate on Fed funds to 4 1/2 per cent, from 4 1/4 per cent. In the past two days, however, Fed funds have been trading over 5 per cent.

Some dealers are now wondering whether the target rate for Fed funds is slightly higher than they had suspected and therefore the implied tightening of credit slightly greater. But once again movements in short-term money rates have had an unsettling effect on the longer-term bond market, with prices weakening during the morning.

Citibank's prime rate is based on a formula which adjusts the prime rate according to a three-week moving average of rates in the 90-day prime commercial paper rate.

## New warning to Leyland car workers

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE POSSIBILITY of British Leyland's car organisation being able to announce a break-even position after its first half-year trading as a State-owned company has now totally disappeared after the recent rash of labour disputes.

In yet another appeal for improved productivity from the 114,000 workers in the Car Group, Mr. Derek Whitaker, managing director, said yesterday that the effects of the strikes had been "disastrous".

His warning, in a letter distributed to all the workers, came as talks were going on to try to find a settlement to a new dispute over job definitions, affecting 650 workers at the Swindon body plant. Some 2,000 Jaguar workers are also laid off because of an external dispute at Rothery Owen.

In his letter, Mr. Whitaker described the recent strikes as more damaging than the now notorious disputes last November which led to the intervention of Lord Ryder, head of the National Enterprise Board, at the Digheth conference with the trade unions in December.

Many thousands of jobs will disappear if we lurch from crisis to crisis, he said. "We must immediately, not only achieve the increased production programmes we had planned, but also make up all of the lost production before the July holiday."

After the Digheth meeting, however, Leyland clearly regards poor industrial relations as the fundamental problem in the Car Group—indeed, Sir Richard Doosan stated this categorically at Wednesday's House of Commons committee meetings.

Some 90 per cent of all the industrial disputes in the entire Leyland Car group over the last seven months have been in the Car output levels since the beginning of the financial year last October. What BL will be able to show, when it presents its half-year figures to shareholders on May 12, at a shareholders' meeting, is a stark picture of the damage done by industrial disputes.

At Rothery Owen management assembled at Ellis-Port,

Löwenbräu: The world's most exclusive and expensive beer.



مكتبة من المجلات



# The week in London and Ahead on the Account

## ONLOOKER

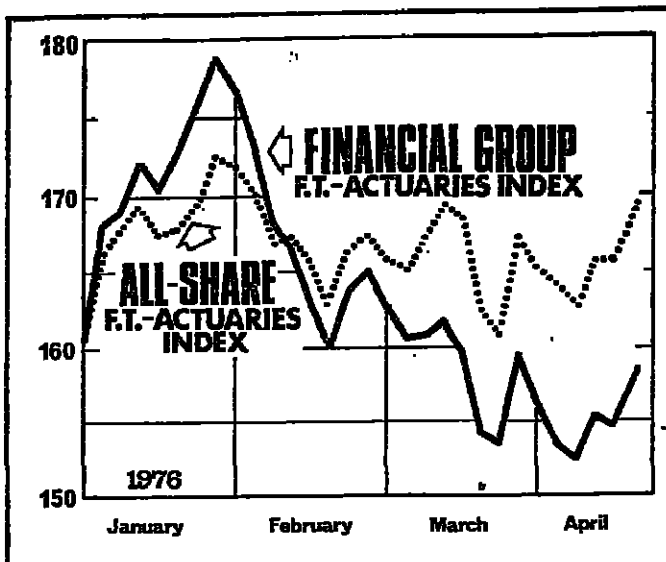
Down nearly 19 points in two days at the end of last week, the equity market has again changed direction—for the third time in as many weeks—with the 30-Share Index rising 17.1 points to 418.1 over the past five days. Over the account it is 9.1 points higher; the turnaround started on Monday despite a further drop in sterling. Since then it has become clear that a deal between the Government and the unions on wage restraint is impending. Sterling closed yesterday at \$1.8405, against Monday's worst-ever closing level of \$1.8190. Understandably the change in market sentiment has been even more marked in gilts, although general trading has been very quiet over the past two days.

Volume in equities has also stayed at low levels. The more obvious currency hedges remain in favour with oils and insurance brokers hitting new sector peaks this week. But in line with the upward trend of U.K. corporate profits, some engineering stocks have been displaying relative strengths. Our heavy engineering index has touched a new peak on each of the past three days.

## Marks holds out

Marks and Spencer had a pleasant surprise for the market on Tuesday. Profits for 1975-76 are £1.9m. ahead at £83.7m. pre-tax after an increased pension fund contribution of £5.7m. Outside analysts had been looking for a downturn to £80m., and even adjusting for the extra week's trading the latest profit is all square with 1974-75. Basically the strength of the consumer following enjoyed by Marks had been underestimated. Even though volume was under considerable pressure in the closing half of 1975-76, the full year saw gains of 7 per cent for clothing and 4 per cent for foods. M and S has displayed its usual ability in containing costs, and though margins were under strain, returns in the U.K. were only down 14 points to 104 per cent, despite a 25 per cent increase in wages.

On the other hand the £24m. loss on the continent was higher than anticipated. Marks' performance here is evidently improving and the Paris store is already trading profitably, although as start up costs in Europe are to be spread over three years overall continental profits are unlikely much before 1977. However, the group result was encouraging, and it has helped sentiment in the



Tarmac and John Laing underlines the dull earnings outlook but they also add comfortably to the sector's balance-sheet strength. Laing's cash balances of £20m. just about match its borrowings while at Tarmac net debt is down to a third of shareholders' funds at £25m. Control of working capital is one key to Tarmac's position with creditors—up £20m.—rising twice as fast as debtors and

## ANZ sails away

Australia and New Zealand Banking bade farewell to the U.K. on Thursday—but could not resist one last cash call on London before changing domicile and switching attention to the capital markets of Sydney and Melbourne. An £11m. rights issue means that ANZ will have raised £24m. by this method in two years. The new money will stay in London to bolster the U.K. end of the business which will now absorb about one-tenth of shareholders' funds—a good modest percentage gives a good indication of ANZ's geographic priorities.

## Mining

NEVER A dull moment, as they say, has been the theme song of the miners and metals world this week. Copper, lead and zinc, for example, leaped further ahead on Monday and Tuesday only to tumble back again on a speculative shake-out which was touched off by the rally in sterling.

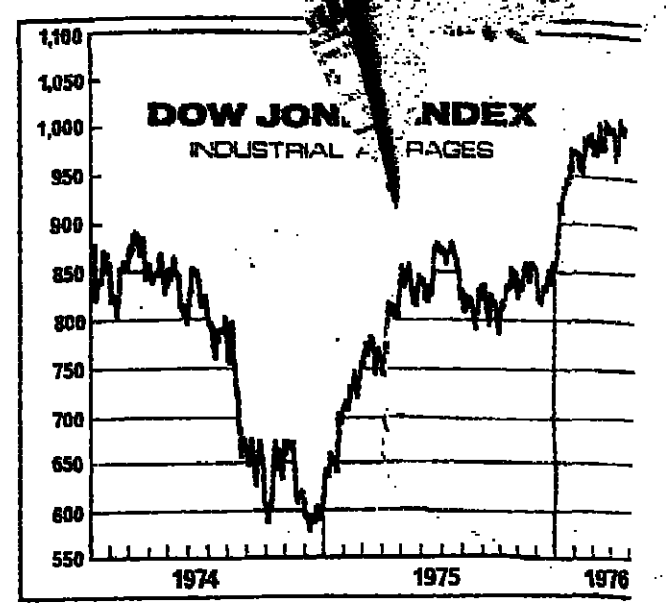
# Bullish trend

BY JAY PALMER

DURING 1975 as a whole, a year when the U.S. stock market finally reversed its downward slide and took its first big leap forward for some time, the Dow Jones Industrial Index averaged about 757. The independent market research group Anisties calculate that shares in this index sold on an average price earnings ratio of 10 over the year.

Right now the same index is standing at just below the 1,000 mark and having risen this year alone from the 850 level, its average for the first three months is probably in the region of 950. With earnings this year forecast, perhaps conservatively, to rise by about a third, it is immediately evident that the market-to-day is still holding that ratio level.

But what if, as many bank economists are now beginning to forecast, the earnings gains this year prove even more spectacular? While fears that too strong economic recovery could still spark off 'stagflation' remain (and thus this week saw a stock market over-sensitive to rumour that the Fed had moved to tighten credit), the



The advance appeared to be widely based with the only sizeable downturns coming from the banks (which are still labouring under bad debts and cut interest returns), as well as the steel companies and metals producers. The steelmakers, for their part, have just boosted prices and in the coming quarter their performance is likely to match the best.

Top sector performers included textiles, building materials, chain stores and railroads. The car makers and airlines also did much better but in both cases simply managed to improve previously large losses. Two of the sharpest individual

## Sighing no more

rounding the future of South West Africa which provides Anglo a some 25 per cent of the group's £31m. (£17m.), in addition profits—after the territory has £4.82m. already contributed to revenue arising from the operations there.

Mr. Oppenheimer recognises the fact that any future government of the territory must have a 'major' interest in the efficient working of the mines. Uncertainty as to what may happen should not be regarded, remains, however, and is a big dampener on the De Beers share price.

In this situation a modest investment in this high-calibre company may appeal to those who feel that a sensible negotiated settlement will be achieved for South West Africa and who remember that Mr. (Mr. £48m.). Advancing Oppenheimer has successfully coupled with a coo come to terms with other emerging African countries.

His statement to holders of the giant Anglo American Corporation will be due on about May 12 and in the meantime the South African mining, industrial and finance group has produced its heavy-weight annual report. The broad conclusion some £6m. in the right drawn from it is that while announced by Selection current year's dividend income is still feeling the back-lash of for every nine held, the 1975 depression, there holders of Selection should be an improvement in should do likewise: they African politics do not worsen tunity to move into real progress will be made in vigrnous group at £4 per 1977.

The report discloses that the suspension of the big Tenke-Fungurume



times. This week, however, Mr. Harry Oppenheimer has disclosed in his annual statement to holders of De Beers that there are now signs of a revival in demand for these very profitable gemstones. The market for the smaller varieties remains strong and the overall outlook is 'favourable' for the rest of this year.

Here again, the possibility of a diamond price increase cannot be ruled out. Although it does not appear to be on the near horizon, after all, the last gem price increase (of 3 per cent.) was made only in January and this will make a useful impact on De Beers' 1976 revenue as will a full 12 months' exchange rate benefit for the South African group of last September's devaluation of the rand.

The year's diamond sales are almost bound to be higher and this could mean a reduction in the big stocks held by the group which had a value of £304m. (£191m.) at the end of last year. Income from the operations in Botswana, which previously could have contributed something getting on for 10 per cent of the group's total, will now be reduced substantially as a result of the much more favourable tax and ownership deal arrangements for that country's government.

Even so, there is little doubt that De Beers' overall earnings are moving forwards this year. The only cloud in the picture is the political uncertainty surrounding the future of South West Africa which provides Anglo a some 25 per cent of the group's £31m. (£17m.), in addition profits—after the territory has £4.82m. already contributed to revenue arising from the operations there.

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## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1976	1976	
	Yday	Week	High	Low	
FT Ind. Ord. Index	418.1	+17.1	419.6	381.6	Hopes of early pact on pay
FT Gold Mines Index	187.9	+13.9	244.9	140.1	Demand in thin market
Treasury 9 1/2 1981	294 1/4	+ 3/4	295 1/4	292	Sterling prompts good rally
Australian & New Zealand Bk.	457	+23	480	380	Domicile change & "rights" issue
Barr & Wallace Arnold Tst. 'A'	63	+11	64	40	Results due May 11
Bryant	28	+ 5	28	22	Good interim figures
Charles (David)	124	- 4	25	12	First-half profits setback
Clarke Chapman	80	+ 8 1/2	80	67 1/2	Good results and comment
De Beers Defd.	250	+24	335	198	Outlook for diamond market
EMI	265	+23	277	223	Capital subs. good 3rd-qt.
Hawker Siddeley	474	+32	474	354	Inv. demand/thin market
Henderson (P.C.) 'A'	56	+17	56	38	Substantially improved profits
Hoover 'A'	320	-17	348	305	Poor first-quarter profits
Kode Intl.	44	+12	43	27	Deal with Newman Inds.
Marks and Spencer	97	+ 7	108	88	Good preliminary figures
Port. Plats.	197	+25	207	108	Higher U.S. car productions
Selection Trust	525	-35	575	460	Proposed "Rights" issue
Shell Transport	440	+18	441	378	U.S. co's. impressive first-qt.
Standard Chartered	418	+25	494	360	Hopes of early Rhodesian settlement
Vickers	200	+10	200	150	Cont's. effects of annual results
Watts & Son	74	- 8	84	65	Absorptive bid talks with Meru Grp.

## U.K. INDICES

Averages	April 30	April 23	April 15
FINANCIAL TIMES			
Govt. Secs.	61.68	62.21	62.34
Fixed Interest	61.01	61.77	61.99
Indust. Ord.	411.1	410.1	402.9
Gold Mines	188.4	167.7	154.2
Dealings mkt.	5,284	6,119	4,904
FT Actuaries			
Capital Gds.	156.61	157.54	154.67
Consumer (Durable)	136.95	139.03	137.24
Cons. (Non-Durable)	153.58	153.85	150.22
Ind. Group	161.28	161.83	158.38
500-Share	179.00	178.92	175.13
Financial Gp.	135.95	139.13	135.53
All-Share	167.97	168.55	164.68
20-year Govt.	49.48	50.04	49.95
Red. Debs.	49.45	50.04	49.60

## Radio

**BBC 1**  
+ Indicates programme in black and white.  
8.35 a.m. Ractime. 9.10 a.m. News. 9.35 a.m. Champion the Wonder Horse. 10.00 a.m. Picture Making. 10.25 a.m. On the Move. 10.55 a.m. Zorro. 11.00 a.m. Bunny. 11.15 a.m. Weather. 11.15 a.m. Cup Final Grandstand: FA Cup Final—Manchester United v. Southampton. 11.15 a.m. Cup Final Morning: 11.50 a.m. A Cure for the Doc (the career of Tommy Docherty); Women's FA Cup Final (12.00) (highlights); Cup Final Knock-out (12.20); 1.05 p.m. The Cup Final Managers (interviews); Ractime from Ascot (1.10); Ractime (1.20); Inside Wembley (1.45); Goal of the Season; 2.45 a.m. Abide With Me; 2.50 a.m. Presentation of the Teams to the Duke of Edinburgh; FA Cup Final (3.00); 3.45 a.m. Final marching display; 3.55 a.m. Cup Final: second half; 4.45 a.m. Presentation of the Cup and Medals by the Queen; 4.50 a.m. Meet the Winners; 5.05 a.m. Final Score.  
5.20 a.m. Tom and Jerry.  
5.30 a.m. Sports/Regional News.  
5.45 a.m. Dad's Army.  
6.15 a.m. Dixon of Dock Green.  
7.05 a.m. Saturday Night at the Movies; "Sign of the Pagan," starring Jeff Chandler.  
8.40 a.m. The Black and White Minstrel Show.  
9.25 a.m. Cannon.  
10.15 a.m. News.  
10.25 a.m. Cup Final Match of the Day, and at 11.25 a.m. World Heavyweight Championship—Pete Puma vs. Rocky Marciano. 11.40 a.m. Saturday Night at the Mill "Live" from Pebble Mill. All Regions as BBC 1 except at the following times—

Wales—9.35-10.00 a.m. Telfant. 12.35 a.m. News and Weather for Wales.  
Scotland—11.10 a.m. 12.45 p.m. "Lassie the Voyager." 12.45-1.30 p.m. Sports Special featuring Scottish Lightweight Title (12.50) Glenrobert v. Gillen; Racing from Ascot (1.10, 1.40, 2.05); Trampoline (1.25, 2.25) Scotland v. North of England; Scottish Cup (1.35, 2.45, 4.40); Basketball (2.40, 3.15) Great Britain v. Poland; Heavyweight Championship of the World (3.00) Muhammad Ali v. Jimmy Young; Olympic Ice Gala (3.20); Wimbledon with Ustinov (3.55); FA Cup Final (4.40); 10.25-11.25 a.m. News Summary for Scotland. 12.35 a.m. News Summary for Scotland. 12.45-1.30 a.m. Northern Ireland News. 12.45 a.m. Northern Ireland News. 12.45 a.m. Northern Ireland News. 12.45 a.m. Northern Ireland News.  
**BBC 2**  
7.40 a.m. Open University.  
3.00 p.m. The Saturday Western: "The Law and Jake Wade," starring Robert Taylor.  
5.15 a.m. Westminster.  
5.45 a.m. Open Door.  
6.25 a.m. Rugby Special.  
7.15 a.m. News and Sport.  
7.30 a.m. Late Call (from the novel by Douglas Wilson).  
8.20 a.m. Wings and Things.  
8.40 a.m. Zigzag Zagger by Peter Terson.  
10.10 a.m. The Great Glass Hive.  
11.00 a.m. Open Door.  
11.30 a.m. News on 2.  
11.45 a.m. Midnight Movie: "River of No Return," starring Robert Mitchum and Marilyn Monroe.  
**LONDON**  
9.00 a.m. Old House—New Home. 9.25 a.m. The Big Booming Bicycle Show. 9.30 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
12.00 a.m. World of Sport from

**SOUTHERN**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**CHANNEL**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**GRAMPAN**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**ULSTER**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**WESTWARD**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**YORKSHIRE**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
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**RADIO 2**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.

**BBC Radio London**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**Capital Radio**  
9.15 a.m. Old House—New Home. 9.30 a.m. The Big Booming Bicycle Show. 9.35 a.m. Return to the Planet of the Apes. 10.20 a.m. Run, Joe, Run! 10.50 a.m. Junior Police Force. 11.00 a.m. Sailor in concert with the Sutherland Brothers and Quiver.  
**TV Top 20**  
Week ended April 25  
Homes viewing (m.)  
1 Benny Hill Show Thms. 8.95  
2 This is Your Life Thms. 8.60  
3 Coronation Street  
4 Morecombe and Wise Show BBC 7.65  
5 Sale of the Century  
6 Crossroads (Wed.) ATV 7.20  
6 Crossroads (Thurs.) ATV 7.20  
6 Crossroads (Fri.) ATV 7.20  
9 The Fosters LWE 7.05  
10 New Faces ATN 7.00  
11 Luke's Kingdom Yorks. 6.55  
12 Are You Being Served? BBC 6.80  
13 Nightmarer for a Nightingale ATN 6.45  
14 A Little Bit of Wisdom ATN 6.40  
15 Special BBC 6.40  
16 Holiday on Ice BBC 6.30  
16 Nine O'Clock News (Thurs.) BBC 6.30  
18 Crossroads (Tues.) ATN 6.25  
18 Bless This House Thms. 6.25  
20 Dad's Army BBC 6.20  
Figures compiled by Audit of Great Britain for Joint Committee for Television Advertising Research.



## Your savings and investments

## Mutuals head the tables

BY ERIC SHORT

INVESTORS USING life assurance as a medium or long term savings vehicle have several decisions to make, including which type of policy with which company. We have written on the features of unit-linked and conventional with-profits endowments and those investors deciding on with-profits are faced with a choice of which of the life companies to invest in.

The April issue of Money Management publishes its annual survey of with-profit contracts which this year cover the results of 76 companies. The

tables include both past performance and future projections based on current bonus rates.

Performance tables, like most forms of statistics, should be used like lamp-posts—for purposes of illumination not support. And these tables throw light on some interesting features of with-profit business: the first being the dominance of the mutual life companies and the second, the performance of both on past records and future projections.

The mutuals, of course, pass on all the surplus from the life funds to policyholders, whereas

with proprietary companies, shareholders take their cut of such profits which can be as much as 10 per cent. On the other hand it is argued that the Board of directors of proprietary companies, being appointed by shareholders, are meant to ginger up performance of the life company and are accountable directly to the shareholders. But the mutual companies seem to thrive on competition. They head the

A simple bonus system, where the bonus is declared as a percentage of the sum assured only, favours shorter term contracts, while the compound system based on the sum assured and attaching bonuses gives higher returns on the longer term contracts. Investors should decide on the term of contract before selecting the life company, and check on the bonus system.

Future projections need great care in interpretation. Some companies use a conservative rate of bonus in making maturity estimates. Others do not quote final or terminal bonuses even though they pay them on maturities. Projections are not an infallible guide to the best performers of the future, but can be a useful tool in weighing up all the considerations needed to select the right company. Investors can only hope to choose one which will give them a good yield, but not necessarily the ultimate best return.

Another outstanding feature of the MM tables is the wide disparity in return between top and bottom performers. There are two main factors affecting life company profits—investment policy and performance and expenses. The position of a company in the table reflects the incidence of both these factors—costs and investment expertise.

For example, the home service companies, with agents collecting premiums from the door, rarely, make the top part of the table, not because their investment performance is necessarily different from the top companies, but because they operate a labour intensive and therefore expensive sales operation. The top companies are very

The Department of Trade has been active over the past two years on behalf of investors holding life assurance contracts. It has produced a series of regulations including how life companies should value the assets and liabilities of their business the objective being to test and thereby strengthen the security of life funds.

But one consequence of all this is pointed out by Lord Harcourt, chairman of Legal and General, the second largest life company in the U.K. It will have the effect of encouraging life companies to invest in fixed interest securities, especially gilt-edged, rather than equities. The higher the proportion of gilts in the portfolio, then the easier it will be to pass the DoT tests—and under DoT thinking the higher security.

Lord Harcourt then went on to state that this investment bias conflicts directly with the expressed desire of the Government to channel more and more institutional capital into manufacturing industry in the form of equity investment. Several people in the life assurance industry have told me that they consider investment in the proposed Equity Bank or any other form of equity support outside the normal market channels could result, under DoT regulations in a technically lower solvency margin for life funds. But the Department has, by no means, finished issuing regulations to life companies, so perhaps one on this subject will appear in due course.

ERIC SHORT

## Studying U.S. funds

BY CHRISTOPHER HILL

WITH the U.S. market still had an aggressive policy, which most volatile portfolios may be teetering on the verge of a positive breakout through the ket, but one may hope that the investor should be ready to sell. Synergistics has also recently produced its mammoth unit trust performance annual (ranking trusts) which is available with 12 supplemental reports at £25.00. The U.K. address is 119/121, London Street, Reading, Berkshire, RG1 4QQ.

## New Overseas Bond

THERE WAS a time when the launching of a new unit trust was accompanied by loud fanfares with the managers anxiously waiting for the first cheques to roll in after the first weekend's advertising. But nowadays methods are much more sophisticated and launchings of the Hambros Overseas Earn- ings Fund this week was a relatively subdued affair. Much rather than property in their choice of investment vehicles and that it is easier to sell a fund via the life assurance route rather than by a straight offer. But of course the charges are above the permitted level for a unit trust alone because the cost of life assurance brings the annual charge up to 4 per cent in addition to the initial levy of 5 per cent.

of their profits either from overseas operations or from exports. The managers also reserve the flexibility to invest a proportion of the fund in overseas shares or to make use of a unit trust with a back-to-back loan facility. All this is fair enough, but what I find interesting is that unit-linked life companies are again leaning towards equities rather than property in their choice of investment vehicles and that it is easier to sell a fund via the life assurance route rather than by a straight offer. But of course the charges are above the permitted level for a unit trust alone because the cost of life assurance brings the annual charge up to 4 per cent in addition to the initial levy of 5 per cent.

Results of investing £10 a month for 15 years, investor aged 29			
Maturing Now		Projected	
	£		£
Equitable Life	3,372	Equitable Life	3,438
Clerical, Med & Gen	3,257	UK Provident	3,175
Ecclesiastical	3,305	Federation Mutual	3,164
UK Provident	3,028	London Life	3,145
Scottish Widows	3,021	Norwich Union	3,127
Standard Life	3,020	Clerical, Med & Gen	3,113
GRE	3,006	Nat. Mutual of Aust.	3,097
Crusader	3,001	Friends' Prov.	3,093
Avon	2,998	Crusader	3,073
Scottish Provident	2,990	Slater Walker Life	3,071

Results of investing £10 per month for 25 years, investor aged 39			
Maturing Now		Projected	
	£		£
Scottish Widows	7,415	Norwich Union	8,163
Equitable Life	7,309	Equitable Life	7,987
Standard Life	7,252	Slater Walker Life	7,866
Ecclesiastical	6,960	London Life	7,815
Clerical, Med & Gen	6,784	Federation Mutual	7,640
Equity & Law	6,577	Clerical, Med & Gen	7,517
Scottish Provident	6,575	Friends' Prov.	7,499
UK Provident	6,380	FS Assurance	7,494
Friends' Prov.	6,301	Nat. Mutual of Aust.	7,461
Norwich Union	6,298	Ecclesiastical	7,365

## Commodity Guide

WITH ALL eyes turning to commodity markets of late, the most frequent request from readers is to recommend a firm which will deal on an honest and reasonable priced basis for the small client—and still make him money. Since firms with claims to commodity expertise are springing up like weeds, this is not an easy task, but I was impressed this month by the magazine *Planned Savings* survey called "Managing your commodity portfolio."

The most useful feature of this was a table listing 18 firms of commodity traders plus information about the companies' background, trading practice (what commodities they specialise in), the value of funds under management, the number of personnel, fee structures, the frequency of account statements, minimum amounts accepted, and the clients' potential liability if he used the service offered. There are some big gaps in the tables and sometimes the larger, well-known firms seem to have been less forthcoming than the smaller ones.

But to be in the table is a bull point, for *Planned Savings* said that some firms were

unable or unwilling to co-operate with information. Where they did comply there were wide variations in the services offered and in the fees charged—the latter ranging from minimum standard commission to the levying of performance fees. Where discretionary accounts were concerned a number of firms said that they normally invest only 60 to 70 per cent in commodities at any one time. Defining the client's liability was also an important section of the table. Some firms offer limited liability protection to discretionary clients, but it is not automatic and the value of the guarantee might also be limited. I also found the magazine's comments on the proportion of the client's capital which might be taken in commission and brokerage illuminating. If a portfolio is over-traded, commissions could easily eat away any profit which might be made. Also a word of warning on taxation. According to *Planned Savings* the Inland Revenue has no firm policy on whether in assessing profits as income rather than capital gains and the magazine warns against optimism by managers

## Arrows at Mercantile

WHILE THE professionals own non-executive directors might sneer at the "ill-informed" criticism of the £83m. Mercantile Investment Trust this week, I thought that it amounted to a neat revolution that anyone bothered to vote any criticisms at all at an investment trust AGM.

Even the chairman admitted that the performance was poor and put it down to the problems with overseas loans and the losses in real estate trusts. This may be the par for the course, but it scarcely breeds confidence in the management's judgment and perhaps it is not a bad thing that shareholders are at last speaking up. However, if they wish to do anything on a continuous basis, it might be a good idea if they started to put forward nominations for their

This has relevance to the whole of the investment trust business, not just Mercantile Investment. Established investment trusts could do with an injection of new blood—and this does not mean retired generals and Lord Lieutenants of the County.

Having new blood might also open up the discussion about the advisability of unit-linked investment trusts or not. Where this question is concerned there are more problems than meet the eye, especially where highly geared trusts are concerned. For the record, Mercantile (an independent trust) is currently favoured by stockbrokers specialising in investment trusts because of its gearing and their belief that the past record is already discounted in the share price.

## Problems for Fidelity

IT IS getting uncomfortably close to the time that some kind of settlement will have to be reached about the fate of the Fidelity Life—next week is a point of fact for the whole issue is due to go back to the High Court. The current position is that parent Fidelity Corporation has agreed with the Government-sponsored Policyholders' Protection Board a deal to protect the policy holders, but this leaves the trade creditors and the reinsurers out in the cold. The trade creditors are being offered 50p in the pound, while the reinsurers (including Legal and General's subsidiary Victory) are being offered 70p in the pound, payable in 1981.

The main stumbling block to settlement now looks to be the reinsurers (including continental companies) who are aggrieved about getting a different deal from everyone else, claiming that 70p in 1981 is only worth 35p to-day. They

say that it will be an uncomfortable precedent if they get the thin end of the wedge—they are owed around £500,000—and there would be a deleterious effect on London's position as the centre of the international reinsurance market. Fidelity's attitude is that the reinsurers are a specialised class of creditor (who were in the risk business) and that the deal being offered is a good deal better than a liquidation.

My view is that whatever the rights or wrongs of the reinsurers' case it would be very unfortunate if the Court sees no alternative but to opt for a liquidation at this late stage. Certainly the policyholders ought to have the primary claim and perhaps everyone will be worse off (thinking of the costs involved in the Nation Life liquidation) if a settlement cannot be reached.

CHRISTOPHER HILL

**FIRST PUBLIC OFFER**  
Closes 6th May, 1976

## An important new way for British investors to share in world prosperity.

## The Prospects Overseas

The economies of many overseas countries are currently growing at faster rates than the UK economy. This means that companies operating overseas enjoy better opportunities for profitable growth than companies operating in the UK only.

It is advisable, therefore, for a careful investor to ensure that at least part of his capital is in a position to benefit from international prosperity.

## The Currency Problem

But there is a major snag. If a British investor or a unit trust wishes to buy shares in a foreign company, Bank of England regulations lay down that the foreign currency needed to pay for the shares can only be obtained either by paying the 'dollar premium' (currently a massive 50% of the investment), or by means of a potentially troublesome back-to-back currency loan.

## Britain's Overseas Earners

There is, however, one way of getting a stake in overseas prosperity without buying foreign shares—and therefore without the risks and expense of the dollar premium and of back-to-back loans.

Many British-based companies earn a high proportion of their profits abroad, either through foreign branches or subsidiaries, or through exports. For example, a survey by a leading stockbroker showed that companies like Shell, British American Tobacco, Reckitt & Colman, Unilever, Distillers and Beechams earned more

than 80% of their profits overseas last year. It also highlighted 57 leading UK companies which earned more than half their profits abroad. To the extent that these British Companies earn their profits abroad their prosperity is directly linked to the prosperity of overseas countries. Yet their shares can be bought in pounds sterling without paying the dollar premium.

## Performance

Over the past five years, the growth in the share values of these 57 leading overseas earners has been more than double the growth shown by all shares as measured by the F.T. All-Share Index. There can be no guarantee that past performance will necessarily be repeated, and you should remember that share prices can go down as well as up. The record of leading overseas earners is, however, most impressive and international economic prospects are currently very encouraging.

## The new Hambro Fund

The Hambro Overseas Fund has been formed to concentrate on overseas earners and it is the first fund of its kind available to the British investor. Its specific objective is to give the benefit of investment in a wide spread of companies having substantial earnings abroad, either from overseas operations, or exports. You can invest in this fund by buying a Hambro Overseas Bond. To benefit from the initial offer price of £1.00 per Bond Unit send your application and cheque to reach us not later than Thursday, 6th May, 1976. After this date Units will be issued at the price then ruling.

## HAMBRO OVERSEAS FUND



- How the fund is managed**  
The Hambro Overseas Fund is managed by Hambro & Co. Ltd., a subsidiary of Hambro & Co. (Overseas) Ltd., which is a member of the London Stock Exchange. The fund's investments are managed by a committee of directors, including representatives of the Hambro & Co. (Overseas) Ltd. and the Hambro & Co. (UK) Ltd. The fund's investments are primarily in the shares of companies with substantial earnings abroad, either from overseas operations, or exports.
- How you watch the value of your Bond**  
The value of your Bond will be shown in the monthly statement of account which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd.
- Increasing life assurance**  
Hambro Overseas Fund is a unit-linked life assurance policy. The value of your Bond will increase over time, and this increase will be reflected in the amount of life assurance which you will receive. The amount of life assurance which you will receive will be based on the value of your Bond at the time of your death.
- The changes**  
The value of your Bond will be shown in the monthly statement of account which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd.
- The tax position**  
The value of your Bond will be shown in the monthly statement of account which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd.
- Annual Report**  
The value of your Bond will be shown in the monthly statement of account which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd.
- Withdrawal Plan**  
The value of your Bond will be shown in the monthly statement of account which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd. The value of your Bond will also be shown in the annual report which you will receive from Hambro & Co. (UK) Ltd.

**To: Hambro Life Assurance Limited**  
Administration (Dept B), Hambro Life House,  
Swindon SN1 1EL. Enquiries: 01-499 0031.

I wish to invest (minimum £1,000) in a Hambro Overseas Bond and enclose cheque for this amount payable to Hambro Bank Limited.

Surname: Mr./Mrs./Miss \_\_\_\_\_

Full first names \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ Date of birth: / /

Do you already hold any Hambro Life policy? ☐ Yes ☐ No

Are you now, and have you always been, in good health? ☐ Yes ☐ No

If not, please give or attach details \_\_\_\_\_

Tick here if you wish to draw 5% in cash (See note 7)  
If you leave the box blank, the income and capital will be accumulated in the Fund for you. You can at any later date start drawing cash at 5% p.a. on the accumulated amount simply by writing to the company.

Signature \_\_\_\_\_

Date \_\_\_\_\_

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Registered in London No. 20925. Registered office 51 Bishopsgate, London EC2P 3AA.



## Finance and the family

## Costs of an assignment

BY OUR LEGAL STAFF

My wife and I followed your advice as to how a share in our jointly-owned house might be given away each year without attracting capital transfer tax. We had the house valued and a deed of assignment drawn up, each of us by the latter giving our daughter a share of the house to the value of £1,000. The surveyor's and solicitor's charges totalled well over £100.

The solicitor now says that similar documents will be required each year when the gift is made. Do you agree with this, or can you suggest a less expensive method of arranging matters?

While we cannot state the position with certainty without knowing the precise form which the documentation took, we think it unlikely that you would need more than an exact repetition of the same documents, the cost of which (typing, and stamping as a deed) would be minimal, and certainly nowhere near the initial cost. You will have in mind that the Budget proposes increasing the concession to £2,000 instead of £1,000.

## Stocks tax free to trustees

I set up a trust for my daughter's benefit a few years ago, and she has now gone to live in Holland. If the investments were sold and re-invested in British Government stocks which are tax-free to non-residents, would the trustees be liable to U.K. tax?

No. The trustees would not be liable to tax. They should take the matter up with the Inspector of Foreign Dividends, Lynwood Road, Thames Ditton, Surrey, so that arrangements can be made with the Bank of England to send them the interest tax-free.

## Consents for telephone wire

I refer to your reply of March 20 under the heading: Consents for telephone wire, in which you suggest that while consent may be required in some cases, it is not if the land

affected adjoins a street. Could you explain how this makes a difference?

The difference lies in the fact that consent is NOT needed initially where the property adjoins a street and the wire is not less than 6 feet from the roof of your house. A statutory notice should have been published (for example by posting on lamp posts in the street) at least 21 days before the installation of the wires. For the statutory provisions see Section 21 of the Telegraph Act 1863.

## Joint chimney stack

I own a semi-detached house in Surrey where repairs to the chimney stack are necessary, but as to which not only does my neighbour refuse to contribute, but he warns me not to cause damage to his chimney or flashing in his repairs done. What please is my position?

Unfortunately your property appears to be outside the area regulated by the London Building Acts (Amendment) Act 1939—Greater London—and you therefore have no statutory right to require the adjoining owner to agree to the proposed works. Technically you ought to ensure that no trespass is committed. In practice you could ignore the technical trespass provided you ensure that no damage is caused to your neighbour's property.

## Gift of flat to daughter

Along with my son-in-law's parents who took over the other half of the house, I bought a lower flat in 1969 which I intended to live in but have decided to give to my daughter. If I do, it seems as though I shall be liable to substantial capital gains tax and in addition to capital transfer tax on what I estimate to be the present value of £6,000. Would it be better for my daughter formally to buy the flat for £6,000, which amount I would leave on loan free of interest and then each financial year waive £1,000 of

the loan as a gift allowed annually as exempt from CTT?

You are on the right lines in principle, but you would do well to seek professional guidance. Perhaps the solicitor who acted for you in the purchase of the property would be best placed to help you. He will need to know what gifts, etc. you have made since capital transfer tax started. One point which needs to be clarified is whether you own the lower flat exclusively or whether (as seems more likely) you own a half-interest in both flats, as tenant-in-common with your son-in-law's parents.

Perhaps we should point out a con., to be set against the pros in deciding what to do:

If your share in the property is sold to your daughter, capital gains tax will be payable three months after the end of the tax year, even though the cash is left on loan; if you give it to her, on the other hand, you could pay the capital gains tax over eight years (with interest), under paragraph 4 of schedule 10 to the Finance Act 1965, as amended by later Acts.

## Local authority landlords

I am the tenant of a flat, one of the conditions of the lease being that the landlords agree to keep all drains and waterpipes in repair. However, despite my complaints, the kitchen sink continues to regurgitate dirty water, not right I have in mind sections 92 to 100 of the Public Health Act 1936, but the landlords are the local authority responsible for its implementation. Would you consider the nuisance a statutory one for which I could proceed under section 98?

If, as seems likely, your lease was originally granted for a term of less than seven years, your landlord has an obligation under Section 32 of the Housing Act 1961 to keep in repair and proper working order the installations for the supply of water and for sanitation (including basins and sinks). We think that there is a cause of action against landlord for breach of

this implied covenant as well as for breach of the express covenant. Provided that you have evidence of having notified the landlord of the want of repair you can take proceedings to enforce the covenant, and for damages for its breach in the County Court. You should consult a solicitor.

## Beneficiaries and an estate

Under the heading Beneficiaries and an estate (March 6), you quote Lordonberry's Settlement (1965) Ch. 915 as an authority for a beneficiary to dispute estate accounts if necessary through the High Court and obtain his entitlement to inspect books and documents of the estate. My solicitors, however, express the opinion that a person entitled to a pecuniary legacy is not entitled to inspect the accounts. How do you reconcile these two opinions, please?

Both are right. The principle is as indicated in our reply and the case cited. (See also Underhill's Law of Trusts and Trustees 12th Edition pp. 464-469. However the Court will not lend its assistance (by way of making an order for an account) to a beneficiary whose sole right is to a pecuniary legacy where that right is not in dispute and the whole of the legacy has been or is going to be paid without dispute. In that case the legatee's interest in the estate is fixed and undisputed and he would have no need to inspect the estate accounts. It would be otherwise if his legacy were, for example, an aliquot share of some unascertained sum.

## Community land act

The first appointed day under the Community Land Act is not August 1, as was stated in error in our first reply last week. It was April 6 last. On that date local authorities were given power to acquire land. The date August 1 is that envisaged for the introduction of development land tax, incorporated in a Bill at present going through Parliament.

THIS IS THE TIME of the year when committees up and down the country really get down to the organisation of the large number of fete, flower shows, gymkhanas and so on that are an essential feature of the British summer week-end. This year more than ever there are tremendous cost problems if established standards are to be maintained or not too obviously reduced. Resistance to change may be as inimical to attendance figures and therefore to profit as yet another increase in admission prices.

In these circumstances there is a considerable temptation for any committee to cut or even to eliminate any cost where there may be no immediate visible return—for example to cut out the purchase of insurance adequate to protect the committee, the club and the hoped-for profit. If for several summers a particular event has been run without any insurance claim, undoubtedly someone will question the need to continue to buy cover.

But in this compensation-conscious age public liability cover is essential to protect the committee and the club against possible claims for injury and damage. Because of present levels of compensation awards, insurance should now be arranged with a minimum limit of £250,000, and this protection should be obtained, as lawyers and insurers say, for the committee "jointly and severally for their respective rights and

## A summer's day

BY JOHN PHILIP

interests": this means that if themselves, for such are the complexities of our legal liability laws that it would be foolish to rely on someone else's insurance. Insurers will also regard as vital underwriting information details of any special displays, and so on it may be necessary to widen the scope of the policy to protect all such helpers. This can be done on a named or unspecified basis.

The cost of such liability cover for a one-day event is variable and must depend partly on the number of people likely to attend, the facilities provided for refreshment and car parking as well as the very nature of the occasion—in short what entertainment is to be provided? Insurers will certainly want to know about miniature railways, mechanical swings and roundabouts, shooting galleries and so on, and may also ask a number of questions about the kind of contracts the committee intends making with the owners of such equipment.

The fact that such showmen, whether they are professional or amateur have their own liability insurance should not influence the organisers' decision fully to protect themselves. The fact that such showmen, whether they are professional or amateur have their own liability insurance should not influence the organisers' decision fully to protect themselves.

Turning from liability to property insurance it is probable that hired equipment, as marquees, chairs and so on, have already been insured by the owner against fire, theft and damage by fire, storm and so on, but the committee must not take this for granted and in event the terms of the hire agreements may make the committee responsible for equipment while it is in custody or control regardless of any insurance the owner has. Signs must not be set high in terms of cover, for all insurers will not provide "all risks" insurance property virtually in the and probably under no vision for much of the time practice they will probably provide cover against fire, weather damage and as vehicle impact, but almost certainly they will be unwilling to provide insurance against malicious or accidental damage and very reluctant to provide cover except on the attractive and less profitable basis of a premium must depend on nature of the event and quantity and value of the equipment at risk. Whatever are covered, the insurance should be arranged for the value of the property.

Most of the composite parties will handle both the material aspects of and my guess is that most members will have one or more members in insurance or quick and reliable access to the insurance market.

## Paperbacks

BROWSING through publishers' catalogues of forthcoming works can be a depressing enough experience but there is one book announced by Jonathan Cape for June that really does whet my appetite. It's *The Life of Raymond Chandler*. I suppose his influence must be as great as any modern writer. His Philip Marlowe is the Sherlock Holmes of the twentieth century. Hollywood is still obsessed by him and has been investing a lot of money in re-making the movies of his best novels like *Farewell My Lovely*. Imitators of Chandler sprout as abundantly as mushrooms on a dewy summer morning.

I am hoping that this *Life* will satisfy my curiosity about one called "Spanish Blood" his obscure years as an executive in the oil business, and all are beautifully slimmed down to the limitation of a few thousand words: the plots do not proliferate as they do in the later novels where at prenticeship years as a crime writer on *Black Mask* magazine, a multi-function-calculator with and his relations with its editor, Captain Joseph Shaw. It yet the heat and the sweat was Shaw who formulated the rottenness of Southern California: "If you can't think fornia seeps brilliantly through of what to do have someone come through the door with a

gun in his hand"—a piece of advice that has probably had more practical impact on the shape of twentieth century fiction than the entire writings of Dr. Leavis.

Chandler's early *Black Mask* stories, published there between 1933 and 1939, were exhumed and re-published between 1950 and the late 50s and early 60s. They've never been allowed to go out of print since and are readily accessible in *Smart-Aleck Kill* (Penguin, 50p) and *Killer in the Rain* (Penguin, 90p) have stunning covers based on film stills. I've been re-reading them as a warm-up for the biography, and goodness, they do still retain their hypnotic grip.

They are all pre-Marlowe, though he re-used chunks later, one called "Spanish Blood" even has a cop in that knightly errand role. All are beautifully slimmed down to the limitation of a few thousand words: the plots do not proliferate as they do in the later novels where at prenticeship years as a crime writer on *Black Mask* magazine, a multi-function-calculator with and his relations with its editor, Captain Joseph Shaw. It yet the heat and the sweat was Shaw who formulated the rottenness of Southern California: "If you can't think fornia seeps brilliantly through of what to do have someone come through the door with a

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## Some private eyes

since the 1940s. His private eye Lew Archer is Philip Marlowe in everything but name and power of repartee. Fontana have just republished a collection of his short stories. *The Name is Archer* (50p), and I was delighted to find how good they are. They've never been allowed to go out of print since and are readily accessible in *Smart-Aleck Kill* (Penguin, 50p) and *Killer in the Rain* (Penguin, 90p) have stunning covers based on film stills. I've been re-reading them as a warm-up for the biography, and goodness, they do still retain their hypnotic grip.

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## Chess

THE INTERZONAL eliminators for the world championship take place this summer in Manila (June-July) and Biel, Switzerland (July-August). A total of 40 grandmasters and masters will be in contention to qualify for the match series which leads up to the title challenge against Anatoly Karpov of the USSR in 1978.

Karpov himself is doing his best to promote interest in the interzonals by openly discussing his most likely challengers. In a recent interview he singled out the young grandmasters Ljubojevic (Yugoslavia), Meek (Brazil), Hubner (West Germany), Browne (U.S.) and Andersson (Sweden) as the best prospects from the younger generation.

All are playing in the interzonals, but Karpov's discreet silence about likely contenders from his own country can hardly be said to be an account of the Russians will provide the eventual challenger—always providing that Bobby Fischer fails to reappear.

Among Karpov's list of challengers, Ljubojevic appears the best hope. An account of the Wijk aan Zee tournament in the current issue of "Chess" describes Ljubojevic as totally disinterested with "only" tying for first prize, although those behind him included the rival chess players who had been the best challengers Andersson and Browne. The most recent national tournament in 1975, held in Las Palmas last month, shows what difficulties the non-Russians face before they can even sit down to play Karpov in a match.

The veteran Soviet grandmaster Evfim Geller finished a full point clear of the field in Las Palmas, scoring 10½ points from 15 games. The defeated included Hubner, who is also Karpov's challenge list, and also the older players Bent Larsen of Denmark and Lajos Portisch of Hungary who are the highest ranked non-Russians in the current World Chess Federation list.

Geller won in Moscow and Teesside last year and, although at age 51, his own championship ambitions look to be over. He is effectively denying the morale of Karpov's would-be detractors long before they get within range of the title.

White: E. Geller (USSR). Black: E. Debarant (Argentina). Opening: English (Las Palmas 1975).

The opening moves were: 1. P-Q4, 2. N-Q3, 3. P-K3, 4. B-N2, 5. N-Q5, 6. N-K1.

Black's chosen strategy involves placing his king's bishop where it gets in the way of his other bishop's development; the idea has been tried successfully

before, but 5...B-B4 is a more natural

6 P-K3, 7 N-B3, 8 P-Q4, 9 P-Q3, 10 P-K4, 11 P-Q3, 12 N-B2, 13 P-Q3, 14 P-Q4, 15 P-P3, 16 P-Q4, 17 N-N5, 18 P-Q4, 19 P-Q3, 20 P-Q4, 21 P-Q3, 22 P-Q4, 23 P-Q3, 24 P-Q4, 25 P-Q3, 26 P-Q4, 27 P-Q3, 28 P-Q4, 29 P-Q3, 30 P-Q4, 31 P-Q3, 32 P-Q4, 33 P-Q3, 34 P-Q4, 35 P-Q3, 36 P-Q4, 37 P-Q3, 38 P-Q4, 39 P-Q3, 40 P-Q4, 41 P-Q3, 42 P-Q4, 43 P-Q3, 44 P-Q4, 45 P-Q3, 46 P-Q4, 47 P-Q3, 48 P-Q4, 49 P-Q3, 50 P-Q4, 51 P-Q3, 52 P-Q4, 53 P-Q3, 54 P-Q4, 55 P-Q3, 56 P-Q4, 57 P-Q3, 58 P-Q4, 59 P-Q3, 60 P-Q4, 61 P-Q3, 62 P-Q4, 63 P-Q3, 64 P-Q4, 65 P-Q3, 66 P-Q4, 67 P-Q3, 68 P-Q4, 69 P-Q3, 70 P-Q4, 71 P-Q3, 72 P-Q4, 73 P-Q3, 74 P-Q4, 75 P-Q3, 76 P-Q4, 77 P-Q3, 78 P-Q4, 79 P-Q3, 80 P-Q4, 81 P-Q3, 82 P-Q4, 83 P-Q3, 84 P-Q4, 85 P-Q3, 86 P-Q4, 87 P-Q3, 88 P-Q4, 89 P-Q3, 90 P-Q4, 91 P-Q3, 92 P-Q4, 93 P-Q3, 94 P-Q4, 95 P-Q3, 96 P-Q4, 97 P-Q3, 98 P-Q4, 99 P-Q3, 100 P-Q4, 101 P-Q3, 102 P-Q4, 103 P-Q3, 104 P-Q4, 105 P-Q3, 106 P-Q4, 107 P-Q3, 108 P-Q4, 109 P-Q3, 110 P-Q4, 111 P-Q3, 112 P-Q4, 113 P-Q3, 114 P-Q4, 115 P-Q3, 116 P-Q4, 117 P-Q3, 118 P-Q4, 119 P-Q3, 120 P-Q4, 121 P-Q3, 122 P-Q4, 123 P-Q3, 124 P-Q4, 125 P-Q3, 126 P-Q4, 127 P-Q3, 128 P-Q4, 129 P-Q3, 130 P-Q4, 131 P-Q3, 132 P-Q4, 133 P-Q3, 134 P-Q4, 135 P-Q3, 136 P-Q4, 137 P-Q3, 138 P-Q4, 139 P-Q3, 140 P-Q4, 141 P-Q3, 142 P-Q4, 143 P-Q3, 144 P-Q4, 145 P-Q3, 146 P-Q4, 147 P-Q3, 148 P-Q4, 149 P-Q3, 150 P-Q4, 151 P-Q3, 152 P-Q4, 153 P-Q3, 154 P-Q4, 155 P-Q3, 156 P-Q4, 157 P-Q3, 158 P-Q4, 159 P-Q3, 160 P-Q4, 161 P-Q3, 162 P-Q4, 163 P-Q3, 164 P-Q4, 165 P-Q3, 166 P-Q4, 167 P-Q3, 168 P-Q4, 169 P-Q3, 170 P-Q4, 171 P-Q3, 172 P-Q4, 173 P-Q3, 174 P-Q4, 175 P-Q3, 176 P-Q4, 177 P-Q3, 178 P-Q4, 179 P-Q3, 180 P-Q4, 181 P-Q3, 182 P-Q4, 183 P-Q3, 184 P-Q4, 185 P-Q3, 186 P-Q4, 187 P-Q3, 188 P-Q4, 189 P-Q3, 190 P-Q4, 191 P-Q3, 192 P-Q4, 193 P-Q3, 194 P-Q4, 195 P-Q3, 196 P-Q4, 197 P-Q3, 198 P-Q4, 199 P-Q3, 200 P-Q4, 201 P-Q3, 202 P-Q4, 203 P-Q3, 204 P-Q4, 205 P-Q3, 206 P-Q4, 207 P-Q3, 208 P-Q4, 209 P-Q3, 210 P-Q4, 211 P-Q3, 212 P-Q4, 213 P-Q3, 214 P-Q4, 215 P-Q3, 216 P-Q4, 217 P-Q3, 218 P-Q4,





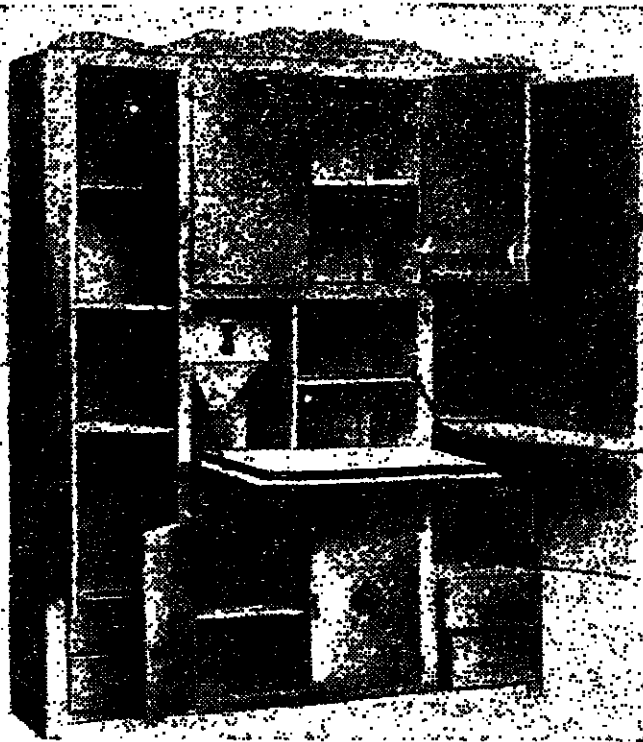
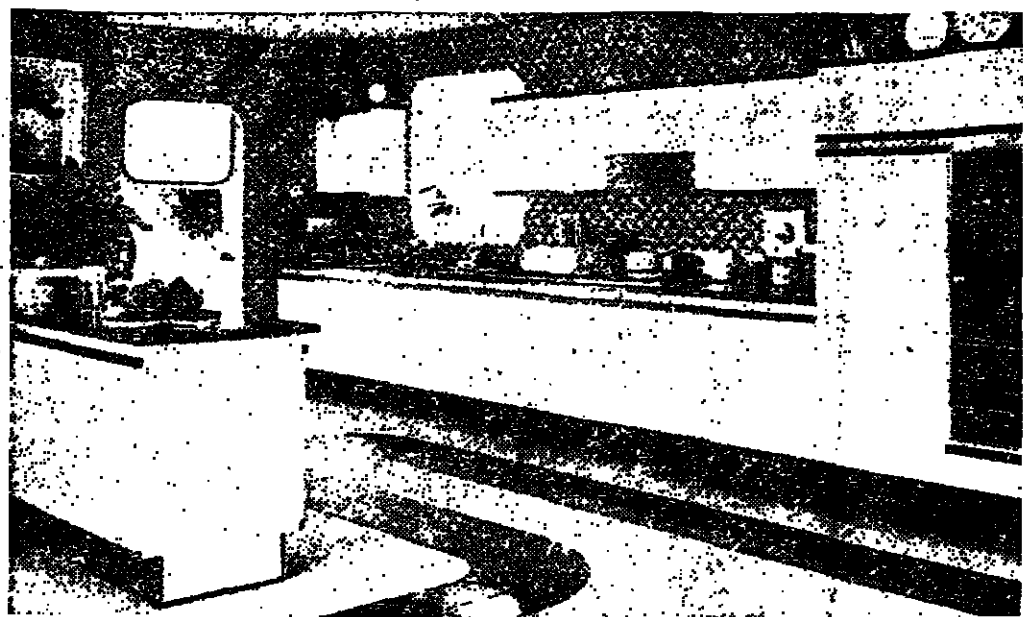






## How to spend it

## Kitchens, old and new



THE kitchen is, I am sure, the hardest room in the house to get absolutely right. When we moved house about 18 months ago I worried and fretted over the kitchen more than any other room. I wanted it to be a room that I liked being in, that was eminently practical but looked artless, warm and as if it had just "happened".

I dislike rows of gleaming cabinets and pristine surfaces that look as if they've come straight out of a television advertisement and yet I couldn't find a way of providing all the services a kitchen needs without resorting to them. So in the end I compromised and made the kitchen part of a much larger room that provided all the colour and comfort and used Multyflex's wood-finish cabinets to provide a softer look in the kitchen itself.

For those faced with a similar dilemma one of the most attractive books on kitchens I've seen has just been brought out by Hygena, the kitchen manufac-

turers, to celebrate 50 years of successful business.

Though the book has been entirely sponsored by Hygena let me say at once that it is far from being just a vehicle for extolling the advantages of Hygena systems. For instance, it says a great deal for the company, that one of the most desirable kitchens in the book hasn't a Hygena cabinet in the place.

There are, to be sure, Hygena kitchens featured, and very attractive most of them are too, but the point of the book is not Hygena, but ways of looking at and thinking about kitchens and as such I think it is a very valuable starting-point for anybody wanting to build or rebuild one.

## Heart-warming food

The book has been compiled by Terence Conran and Caroline Conran's recipes are scattered throughout, reminding one of the real purpose of a kitchen which is not just to look

Left, Hygena's new Contour kitchen range and right, a 1920's cabinet complete with many refinements

appealing but to produce heart-warming food.

The book covers the development of the kitchen from earliest days right down to some modern philosophising about its future role. It provides, to my mind, most foretelling photographic incentives to prevent us automatically equating newer with better (though whether this is a train of thought Hygena would encourage is another matter).

Certainly, of the two kitchens in the whole book that I most desired one was built in 1883 (at Lanchester House in Cornwall) and the other is the Conran's own new country house kitchen (the one that doesn't feature a single Hygena unit).

Looking at the sturdy lines of the kitchen cabinets Hygena produced in the 1920's made me think that anybody who found such cabinets in a house to-day would probably unthinkingly pull

the lot out. I would urge them to look at them carefully first. Some were amazingly well-planned. Many of the luxury details, like ventilation grills, cutlery drawers, pull-out work-tops and the like, that we think of as being so modern, were being incorporated into very sturdily built cabinets in the 1920's.

Apart from very pretty pictures there is a great deal of helpful historical information and practical advice—how to plan the layout, how to choose surfaces, lighting, equipment, advice on safety, storage and so on.

But on the whole practical books on kitchens are a penny. This one I like most because it is thought-provoking. Where are kitchens going now? It asks towards the end. In two directions it seems to say—the

kitchen of almost medieval simplicity for those who have outgrown (or can no longer afford?) mixers, grinders, dish-washers and the like and wish to live the hard but self-sufficient life. Or otherwise perhaps towards the super-efficient world of microwave ovens, infra-red rays, bio-degradable plates, central service core units and the like. Not for Hygena's sake but our own I hope it's somewhere between the two.

The book can be bought directly from Hygena at P.O. Box 18, Liverpool L33 7NH and costs £2.50 inclusive of p+p.

## Softer edges

For those who are not disenchanted with rows of cabinets Hygena have brought out a new kitchen system called Contour which is going into their distributors' shops now.

It's the kind of range which isn't spectacular so that it might

mistakenly be thought dull. Mistakenly, in my view, because genuine improvements and attempts to give the customer better and more choice do not seem to me dull.

Contour is eventually going to take over from the System 70 range in comparison with which it is much more sophisticated and stylish. There are rounded edges on work tops and door-trims giving a softer, more up-to-date look. From the practical point of view there is a much bigger choice of finishes, colours and textures and I particularly like the wood block tops made from Teak. The units are rigid as opposed to self-assembly and so are more expensive than System 70 but cheaper than the expensive 2000 range.

## Flexible

The designers of Contour have taken a lot of trouble over lighting. As most kitchen cabinets have strip lighting underneath them only a narrow work-area is illuminated. In the Contour kitchen the high ceiling cabinets are designed to project out and the strip lighting underneath them can provide much more general light.

Contour has been designed to be very flexible with something over 100,000 variations of size, unit styles, colour and finishes. This gives much greater adaptability but makes it correspondingly more difficult to select.

My advice is to have a good look at the range at a reliable distributor's showroom and if you like it to ask Hygena's own planning department to work out a scheme to suit your room and your needs.

Hygena charge £5 for the planning service but if you order your units from them this fee is refunded.

If you want to see units now, their own displays at 64, Grosvenor Street, London, W.1 and Charlewood Road, Kirkby, Liverpool are probably the best and largest at the moment and a great deal of help is given by those in charge of the showrooms.

For colour leaflets and other information write to Hygena, Kirkby Industrial Estate, Kirkby, Liverpool, L33 7SH.

## More about window boxes and some specialist papers

For those who are too busy or too idle to follow all of Agnes Kinnerley's ideas for window boxes last week there are two organisations that offer services just for busy and/or idle people.

Justin de Blank, already well-known for his specialist food shops, has a Herbs, Plants and Flowers shop at 114, Ebury Street, London, S.W.1, which will organise a complete window box, filled with whatever sorts of plants the customer fancies. Prices obviously vary depending upon the sort of window box chosen, whether plastic or wood, and according to the plants.

For those who can't even manage to look after them once they're in situ (and this probably applies mainly to offices) the shop will also look after them, weeding, watering, thinning out and replanting when and where necessary. Unfortunately they can only offer these services in the London area.

Problem is another London-based organisation which has often been mentioned on this page but whose services and facilities are being continually expanded.

In order to enjoy Problem's services you need to become a member—this costs £12.00 per year or £58.00 for life membership. Once a member you have a right to use the many different facilities they offer—cooking for the deep-freeze, instant access to plumbers, electricians, builders, baby-sitters and so on.

Just started is a new service—Instant Window Boxes. They come painted in the colour you choose, filled with John Innes Compost and Peat and a selection of green and flowering plants. Delivery and installation is included in the price of 2 ft. for £16.65, 3 ft. for £24.42, 4 ft. for £32.19 and 6 ft. box for £43.29. Contact Problem Limited at 179-181, Vauxhall Bridge Road, London, S.W.1. (01-828 8181.)

Problem, too, I'm afraid, only operates in the Greater London area. Most of the services they offer may be arranged over the phone and charged to credit

accounts, which simplifies matters a great deal for busy people.

Everybody who likes and appreciates truly good quality paper should be delighted to hear that Hayle Mill, who were threatened with closure last year, are still alive and flourishing. Hayle Mill is the only commercial hand-made paper mill that is in full-time operation in Britain.

They make papers for lithography, etching, woodcuts, gravings (Henry Moore is one of their customers). They produce specialist papers for people with unique requirements and could, for instance, incorporate an initial into a watermark, if it were wanted. They produce paper for watercolourists as well as document and manuscript repairing papers.

Though most of their papers have fairly specialist applications they do produce fine printing paper for those who like nothing but the best for their own stationery or letterheads. But these papers can only be typed or printed on.

Some of their selection can be seen at T. N. Lawrence, Bleeding Heart Yard, Greville Street, London, E.C.1, but if you write to them enclosing a s.a.e. they will send a price list and samples. Their address is Hayle Mill, Maidstone, Kent.

More about paper—Paperchase shops, which have branches at 187, Fulham Road, London, S.W.3, and 216, Tottenham Court Road, as well as in Harvey Nichols of Knightsbridge, have got together with the Compton Press of Tisbury in Wiltshire to produce letter headings and cards that look very stylish and individual and yet can be ordered through the shops.

They use real rag-made paper and offer a choice of two sizes of paper, five colours of ink and six different typefaces. Orders take two weeks and prices are £11.93 for the first 250 sheets, £2.66 for the next 250.



Soup tureen and bowls, and right, casserole

## Pottery with a purpose

I HAVE to admit to a total blind-spot about most craft pottery. All those fine nuances of texture, colour, glaze and patina that so excite the world of potters leave me baffled and quite unmoved.

However, Stephen Pearce's pottery is another thing. Firstly, I like the idea of great art in the technique and art being allied to the production of everyday items that we all need and use. Secondly, I find Stephen Pearce's work immediately attractive and appealing to look at as well as patently suitable for the purposes for which they are intended.

Stephen Pearce is a young

Irish potter, the son of Lucy and Philip Pearce who founded the world-famous Shanagarry Pottery. He has travelled and worked in many different countries but has now established his own pottery and kiln in Shanagarry, and there he has developed his own line of large, adventurous-looking terracotta pieces, all of which are designed to be used, not just looked at. There is nothing fluid about any of it; as you can see from the photographs. He uses a base of terracotta which he decorates with strong white ceramic glaze.

The first exhibition of what Stephen Pearce calls his "useful art" is currently being held at The New Art Centre, 41, Sloane Street, London, S.W.1, and will be on from Monday to Friday (10 a.m. to 6 p.m.) and Saturdays (10 a.m. to 1 p.m.) until May 15.

There you may see and buy his jugs, casseroles, soup tureens, soup bowls, bread crocks, cheese containers and even totem poles. Clearly Stephen Pearce is rather fond of totem poles as he seems to specialise in them, having received his first commission for one in 1968. In order to fulfil the "useful" function totem poles are able, for the purposes of this exhibition, to double up as lamps.

However, most of us, I imagine, will be more interested in the daily items which illustrate admirably that simply because something has to be used almost daily doesn't mean it needn't be beautiful—indeed, my philosophy is that that is precisely why it needs more than ever, to be beautiful.

The price range for those who are interested in buying starts at £10 and goes up to £150.

## A modern classic

I remember some six or seven years ago now becoming very excited over a new folding chair which seemed to me to be one of the really great modern designs. It was made from transparent plastic, had a folding chrome frame and not only looked superb but did everything that could be expected of a folding chair and sold for the remarkable price of £12. It was the Pila chair, produced by Castelli, and it's still

selling in its hundreds of thousands all round the world. In my opinion it sums up everything that industrial design should stand for but so often doesn't.

I only refer to the Pila chair again now because a new design by the same firm, Castelli, seems to me to be recognisably in the same class. It's a dining table and it has chrome legs and a top that is finished in either white or black laminate with a choice of either self-coloured laminate edge or a PVC edge which is

always in black (the PVC edge is really advised for contract use where the table may get a great deal of wear and the PVC gives added protection to the edges).

Just as the Pila chair was admirably designed to suit modern needs and living conditions in that it took up virtually little space, stacked neatly and efficiently into a minute space and provided a versatility of purpose so often needed, so the table seems to me to be equally well thought-out. It folds with a particularly neat mechanism, since patented, which seems to work well. The table when fully out is very firm and rigid so that it doesn't have the wobbly air of folding tables. When folded down, equally, the legs fit into rubber buffers which hold them in place by friction so that it can be easily carried as a compact parcel without the legs falling out of place.

For contract use when several tables need to be stacked on top of each other there are four rubber buffers on each end to protect them from injury. Though the table is eminently suitable for contract use it is also ideal for dining areas where space is limited, where one needs to be able to eat in comfort but doesn't want a large table permanently taking up a certain space.

There are two sizes of table 160 cms by 80 cms and 200 cms by 80 cms. With a laminated edge they are £86.90 for the smaller size and £14.32 for the larger. With the black PVC edge they are £74.52 and £82.08 respectively.

The prices are inclusive of VAT and carriage in the U.K. The tables can be seen at the showrooms of the importers: Interpace, Rosemont Road, London, N.W.2. They can also be ordered from them direct by mail.

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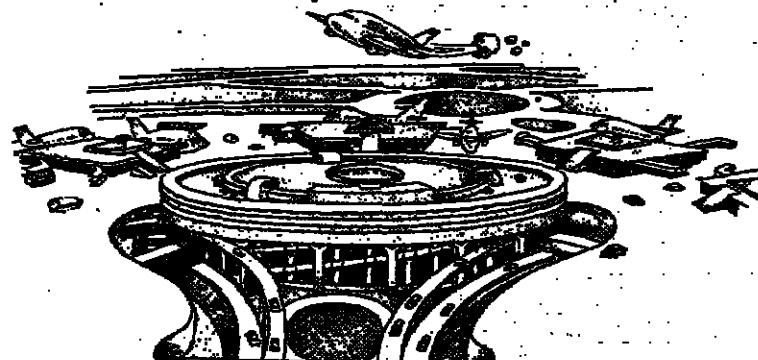
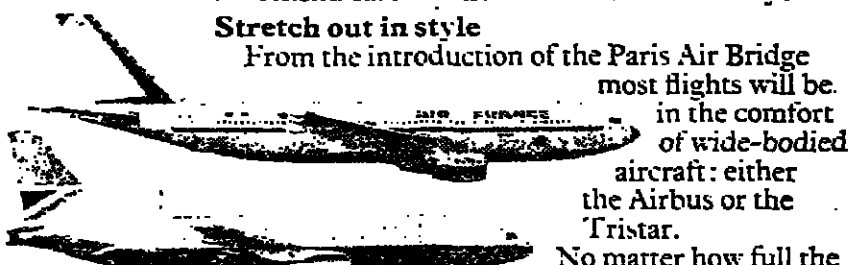
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# Property

## Practical advice

BY JUNE FIELD

A PROPERTY does not need to be period or even particularly old to need some sort of a survey before buying. Any house that is not brand new is second hand, and as such has probably had its fair share of wear and tear; but full-scale professional surveys can be costly and cannot always be undertaken at the "just-looking" stage. Any prospective buyer with an enquiring eye ought to be able to spot some of the defects before calling in the experts.

Certainly in an empty house, the inquisitive should be able to ascertain whether fungus flourishes in the cellar (*conio-phora cerebella*, wet rot) or if the common furniture beetle (*anobium punctatum*) is tunnelling in the floor boards. Armed with the appropriate knowledge, the enterprising might get something knocked off the price right at the start, particularly in the current buyer's market.

The first step is a basic check list, and here you can get a great deal of help from a new book, *House Conversion And Renewal*, by Peter Collymore, (Architectural Press £8.95). It is a kind of your own surveyor and architect guide, which although primarily directed to architects and builders, is, as the jacket blurb promises, of interest to "the general public (who) will also find it an invaluable source of practical advice." The book concentrates mainly on conversion and extension work; if you are only con-



In the heart of Constable country, Weaver-shed House, Dedham, Essex. This one-time weaver's shed has the original early Saxon tiled floor and hearth in the sitting-room, and balustrading made from weaver's looms in the minstrel's gallery.

templating regeneration of bricks and mortar rather than overall restoration, then Chapter 9, "Preliminary Survey of the Building" is the place to begin reading. This section deals with the inspection of the building with a view to ascertaining its structural state, the condition of finishes, evidences of wet and dry rot, insect infestation and so on.

Some defects on a roof may be able to be detected from a trap door up above. (It is not advisable for the inexperienced to go in for high-level crawling and climbing.) Mr. Collymore's check list covers looking for broken chimney pots, cracked renderings to parapets, defective lead gutters, and in the case of a flat roof, cracked, blistered felt and asphalt, or

and from 1735-1835, formed part of the village workhouse. Price for the two-bedroomed house is £22,000, through the recently-formed country property department of Baird & Eves, 218 Hutton Road, Shenfield, Essex.

split or worn out metal roofing. In the attic space itself, look for lack of insulation, inadequate tank supports, whether there is a hatch opening large enough to take bigger tanks if necessary, internal open gutters draining from the front parapet to rear, bad brickwork to fines and side walls, any bad alterations of the past.

The date of an electrical installation can usually be deduced from the design of switches, the look of the wiring, and its type. Old rubber-clad wiring could now be defective, and if extra points have been fitted, overloaded.

For those contemplating tackling repair and conversion jobs for themselves, there are Action Schedules too. But they are only for the knowledgeable—

## Californian life styles

THE AVERAGE family in New York moves about once a decade. In California it is once every one-and-a-half years. There is no shortage of places to rent or buy, and if waterfront living in an all-the-year round equable climate is what you fancy, and can afford, then Newport Beach, Southern California's "most perfect place to live" takes a lot of beating. It is John Wayne country too, with "the Dukes" yacht Blue Goose anchored in the bay; or if television heroes are more your style, then Kolak (Telly Savalas) and Barnaby Jones (Buddy Ebsen), have homes in the area.

There are around 9,000 boats in the harbour, and over 80,000 permanent residents, plus a large daily summer influx of tourists. The yachting community is active all the year round.

I swam outdoors on Christmas Day, sunbathing by the pool, eating doughnuts provided by courtesy of the management. Just a small sample of the incentives available at an average apartment complex not far from the beach, where accommodation is to let furnished or unfurnished. Other comforts for the good life usually include a jacuzzi (a kind of therapeutic whirlpool bath), sauna, laundry, deretec, carpets and curtains; even electricity is sometimes included in rents varying between 100 to 200 dollars a month according to size and location.

"Fight Inflation—Buy Property" is the slogan in one realtor's (estate agent's) window. With a five per cent. tax credit up to 2,000 dollars, and mortgages on offer from 8½ per

cent, home ownership is encouraged.

Buying an apartment generally involves condominium ownership, where the occupier gets a title plus a common interest in the outside structure, together with an active caretaker service, and considerably more overall neighbourliness than is usual in Britain. Two and three bedroom condominiums with beamed ceilings, "real" fireplaces, and enclosed garages plus facilities for putting, basketball, croquet and maybe even a full-scale recreation centre, could cost from \$37,750.

Actual seacoast living, on slopes overlooking the ocean, with further desirable necessities such as a trashcompactor (a miniature crushing machine in a cupboard by the sink that "compacts" a week's rubbish to manageable proportions), self-cleaning oven and dishwasher, are from \$58,875; actual waterfront condominiums at fashionable 621 Lido Park Drive, which include a mooring for your boat, are from \$140,000 a unit. A Home Buyers Guide, 25c, published every month by Bryan Publications, Newport Beach, gives a selection of this type of accommodation.

For those who want to try out the California life-style, there are home-swap schemes. Home Interchange Ltd., P.O. Box 84, London, NW8, telephone 01-263 3822, run a home exchange directory. Of their over 3,000 listings, over half are in the United States; and a good proportion of those are on the West Coast.

Going up this luxury-plus



Elegant new houses on Spyglass Hill, have a view of the harbour near Newport Beach, Southern California. This one, with five bedrooms, and 4½ baths, and a three-car garage is around \$203,000. Brochure, Lusk Homes, 15 Bodega Bay Drive Corona del Mar.

scale are the properties on port, are superb, incorporate some of the most imaginative ideas and use of colour I have seen in a long time. Feat in these three to five bed homes, with two or four bedrooms, are built-in micro ovens, waste disposals, ma vanitory units, sunken glass mirrors. Your own swimming pool (or two), is usually part of the expected extras on this Golden Coast. Prices vary from \$12 to \$203,000 for a 4½ bath (nial-style house that has games room big enough to a dance in.

The show houses at the Lusk Homes on Spyglass Hill, Corona del Mar, a continuation of New-

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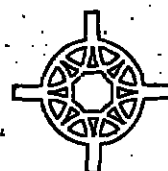
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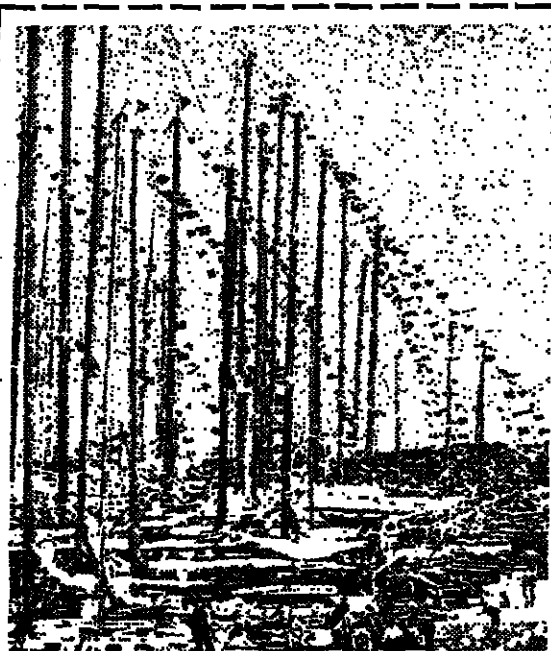
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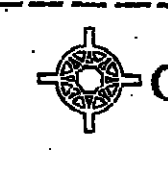
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## The Arts

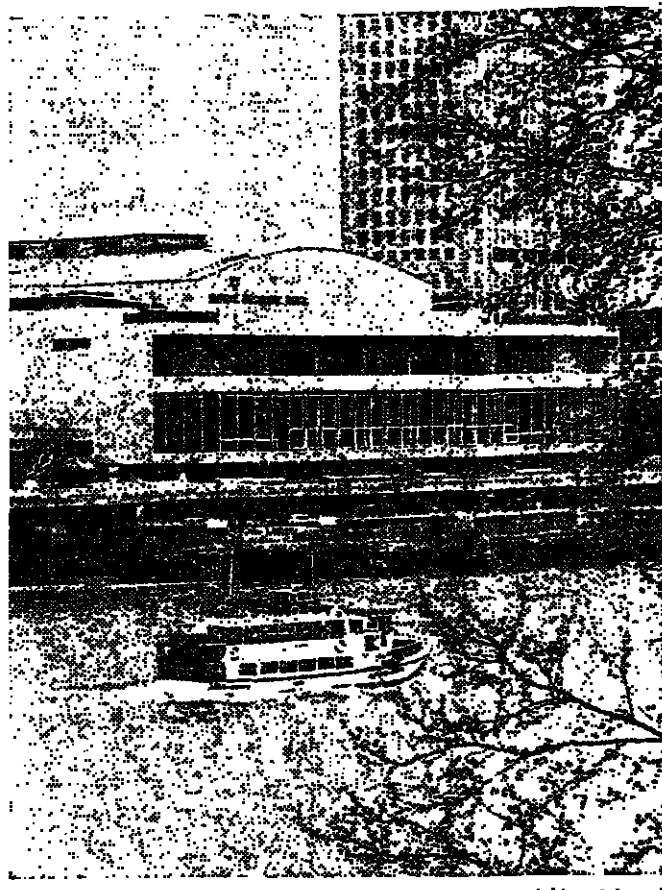
## Festival Jubilee

BY RONALD CRICHTON

Clement Attlee laid the foundation stone on October 1, 1949 of the new concert hall that was to be the LCC's contribution to the Festival of Britain planned by Attlee's Government for 1951. The country was slowly becoming unnumbered from the war, there was (rightly or wrongly) more hope and confidence about than there is now, and the reclamation for temporary Festival and permanent Arts use of a neglected waste area on the South Bank of the Thames was an appropriate and sensible gesture. The hall was far enough advanced to be opened with an inaugural concert in May 1951 in the presence of the King and Queen. Completion was supposed to follow the end of the Festival, but by then building restrictions were in force and the hall had to operate in incomplete form until 1965. By that time the Queen Elizabeth Hall and Purcell Room were under construction and the London County Council had become the Greater London Council.

Over the years one has developed a certain affection for the building, for the wide views of river and sky, for pleasant details inside like the polished wood railings and the carpet design that stands the test of time so well, for the constant care with which the place is kept clean and trim, for the courtesy and helpfulness of the front of house staff. The acoustics have been much improved since their early clinical stages, though no amount of "assisted resonance" will ever, I suspect, give the Festival Hall the "heilig Schein" the bloom on the tone required for the large-scale concert. In the late romantic music which is one of the great draws. And the hall shares one important defect with a great Arts building with which it might seem to have little in common—the Paris Opera.

Like Garnier in Paris, though less spectacularly, the architects Robert Matthew and Hubert Bennett lead the visitor by gradual stages into the heart, and the auditorium, of the building. In neither case does the conditioning process quite come off. In Paris the effect partially misfires because the gaudy splendour effectively deployed elsewhere finally turns cramped, heavy and crushing. In London the deliberately low-keyed style which works well as a frame for exterior views becomes merely neutral when it has to function as an end in itself. It may be significant that it is the most



The Festival Hall

Ashley Ashwood

positive feature, the side boxes like half-pulled-out drawers, that have been paid the compliment of imitation abroad—in the opera houses of Hamburg and Cologne, for example.

In that neutrality, there is something discouraging to all but the strongest personalities, or is it merely that memories of the comparatively recent past are always the weakest? I find it obstinately impossible to remember the first concert I heard in the hall, though have a feeling it may have included the Antarctica Symphony of Vaughan Williams and that the orchestra was the LPO. Certainly VW was often to be seen there, sitting well down in the stalls, hand cupped to ear, loyally listening to music by his juniors.

I was working abroad when Toscanini came to South Bank, but subsequently there were Beecham (to whom, as he made abundantly clear, the place was not especially congenial), Klemperer (who on the other hand thrived against such a background), Monteverdi (who, filled with the sheer amount of concerts heard there may have something to do with this—so, unfortunately, may the mainly

conventional nature of the programmes. Perhaps in this Silver Jubilee Year, with the National Theatre patrons as additional spur, someone will think of ways to make access to the South Bank easier and more pleasant for non-car drivers. Waterloo Bridge won't do by themselves. Walking across the bridges is well enough on a fine evening but hell in a gale or downpour. Picking one's way through the puddles on those grey sodden slabs where the flag ropes twang and thwack as the wind howls through the concrete wastes, it is hard not to have un-Christian thoughts about the experts who so ineptly laid them out. Taxi shun the place, while to stop one going full speed across Waterloo Bridge needs the nerve of a tightrope walker.

Barry Humphries moves along Shaftesbury Avenue. Barry Humphries' show *Housewife: Superstar!* (to use the latest arrangement of its exclamation marks) will transfer from the Apollo to the Globe on Wednesday, May 19, and run there until July 10.

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## The scene in Sofia

BY FRANK LIPSUS

Theatre life in Sofia was not quite itself during the preparations for the eleventh Congress of the National Communist Party: the National Theatre was closed for renovation and the satire theatre was off in Paris.

The theatre of the satire company, located just off Sofia's "Broadway" which houses most of the city's eight theatres in a three-block stretch, had a festival of provincial productions concerned with themes of contemporary relevance. New plays, both Soviet and Bulgarian, take a surprisingly frank and unjaundiced view of social reality, compared at times even to political rhetoric. Ten of the country's 27 provincial theatres were invited to participate, confirming that a wealth of material exists and, judging from those I saw, that the plays can make eloquent and trenchant comments on social problems.

Among Bulgarian works was the first play of young dramatist, Georgi Danailov, whose play, *The End is Up to You*, explores the dilemma of an engineer held responsible for the collapse of a bridge. Though he approved its design, the bad calculations were made by a colleague killed in the ensuing disaster. The first act ends with the engineer undecided whether it is better to martyr himself and save the dead colleague's reputation or not to be a hero and go on to rectify his carelessness elsewhere.

While the play at times indulges in belaboured reflection, the production of the state theatre of Burgas is always lively and incisive. A revolving stage brings the engineer to each of his succeeding adversaries and defenders, while it gives the impression of Everyman's journey through confusion and trial. The young director, Krassimir Spasov, is not slow to make his own points, putting the boss of the engineering works everywhere but in his office—lounging in a garden chair or on his way to a sports field. The ostracism of a

former convict in the second act provides better material for the playwright's adept irony and brings the play to a telling criticism of social conformity and imposed values.

Less successful was the small company of Kustendie in its production of a Soviet play, *The Lost Anxious Man*, Afanasiev, a set that tried to give the impression of modern Soviet prosperity looked more like a hotel lobby with a bed in it, while the play warped on the last, war and a missing husband whose return after almost 30 years did not seem worth waiting for.

Another Soviet play, however, was a triumphant success, as done by the very talented company from Pazardzhik. Written by Alexander Gellman, *Report (Transmissions at an Office Meeting)* sets forth the simple problem of a 17-man brigade which refuses a company bonus on the grounds that it is not deserved. The moral protest also has the more practical goal of goading the 3,000-man building works into efficient use of its manpower, lest they waste their lives through a system of rewarding compulsion and inaction. Plamen Donchev plays the laconic but eloquent brigade leader who lets his protest take its course without letting it affect his composure or resolve.

Exuberant applause greeted some of the brigade leader's comments as the play went beyond a theatrical event and struck home to the audience. "It is simply a conflict between frankness and bureaucratic unwillingness to face it," he said at one point. When a bureaucrat rebukes the brigade leader's accusatory tone by telling him they are not after all capitalists, the brigade leader replies: "We are not capitalists, but is that enough to be rewarded? What capitalists get, the workers get back eventually—but what will we ever get back?" Spontaneous applause interrupted the action a number of times. A play that went to the heart of real issues, performed

without exaggeration but with an appreciation of everything that was in the play—it was exhilarating theatre.

This period of official preparations was also a good time to see a unique institution—what the Bulgarians laughingly call their "private enterprise" theatre. With no permanent company and a skeleton administrative staff, the Theatre 199 (199 seats) depends on actors and directors from the regular repertory companies proposing to do productions in their spare time. It means a lot of doubling up on roles to accommodate other schedules, but the theatre is almost always full and provides an outlet for small-scale and experimental works from sources as varied as Switzerland, Lithuania and the U.S. I saw a lively production of Paul Zindel's *The Effect of Gamma Rays on Man-in-the-Moon Marigolds*, which practically filled up the stage when all four women in the family were on together. Since a theatre like the National carries as many as 70 actors, the 199 plays a useful role for actors as well as audiences who get to see plays that are just too modest for the large repertory companies. The regular Sofia theatres have a high standard to live up to, judging by the production filling in the gaps at present.

## Tjeknavorian contract with RCA Records

The Iranian-born conductor and composer, Loris Tjeknavorian, has just signed an exclusive recording contract with RCA Records. Recently designated as guest conductor with the London Symphony and Royal Philharmonic Orchestras, Tjeknavorian's recordings for RCA with both these orchestras will include the following works: Shostakovich Symphony No. 10, Chalkovsky Symphony No. 6, Beethoven Symphonies and Sibelius Symphonies.

## Kenneth Williams returns to the stage

Kenneth Williams will make a return to the stage in *The Husband-in-Law*, an adaptation by Christopher Hampton of Feydeau's farce *Le Mariage de Barillon*. It begins a pre-London tour on May 10 at Bristol Hippodrome. Also in the company are Peggy Mount, Brian Pringle and Paul Hardwick. The director is Patrick Garland and the designer Stephanos Lazaridis.

## Theatres this week

**ROUND HOUSE—La Grande Eugène.** Wonderfully stylish and amusing revue by a French all-male company, not to be missed at any price. Opened Monday. **BROADWAY, Kilburn—Cyclo Stairs.** Ultra-party musical show by a "gay camp" from California, entertaining and harmless. Opened Monday. **ALDWYCH—The Zykors.** Gorky provides a glimpse of Russian bourgeois life in 1912 when universal disillusion is the vogue.

Mia Farrow and Paul Rogers work hard but unsuccessfully to put some excitement into what seems like a sketch for the Russian version of *The Archers*. Opened Wednesday. **GREENWICH—Miss Julie.** Good production of Strindberg's angry play with Susan Hampshire too delicate and pretty as Miss Julie and Martin Shaw determinedly common as Jean. Opened Thursday.

Kenneth Williams returns to the stage. Kenneth Williams will make a return to the stage in *The Husband-in-Law*, an adaptation by Christopher Hampton of Feydeau's farce *Le Mariage de Barillon*. It begins a pre-London tour on May 10 at Bristol Hippodrome. Also in the company are Peggy Mount, Brian Pringle and Paul Hardwick. The director is Patrick Garland and the designer Stephanos Lazaridis.

## Collecting

THERE'S A FLURRY of activity in the small world of doll enthusiasts. The Livesey Museum in the Old Kent Road, a late Victorian public library building imaginatively refurbished, has a modest but charmingly displayed exhibition of dolls and other toys through the ages. The Victoria and Albert Museum has issued a new booklet on *Dolls*, by Caroline Goodfellow, which illustrates prize exhibits from the magnificent permanent collection of the V. and A. and Bethnal Green Museums, including two contrasted recent acquisitions: Lord and Lady Clapham, a pair of seventeenth century wooden dolls; in their original stylish costumes of 1690 and a coy Shirley Temple portrait doll from the 1930s.

Sotheby's are selling an extensive collection of dolls in a furniture sale on May 14, and a week earlier, on May 6, Christie's have an outstanding sale at their South Kensington rooms. It is especially notable for a collection belonging to Mrs. M. Adler, rich in mechanical dolls produced in the nineteenth century.

The urge to give lifelike functions to dolls began in the Romantic period and reached a peculiar nadir as late as the 1930s, with dolls which could perform a whole irrigational cycle from feeding bottle to totty pot.

The earliest documented doll with "sleeping" eyes is in the Bethnal Green Museum and seems to date from 1807. At that period moving eyes were worked by strings or wires; but by the 1870s the now familiar method of controlling the eyes automatically by means of a hidden counterweight was in common use. A visitor to the Jumeau doll factory at Montereuil in 1888, however, found the eye and squeeze departments out of bounds—perhaps because Jumeau was at that time experimenting, along with other firms, with the saucy novelty of "flirt" eyes that could move from side to side.

Walking automata have been made since classical times, but the first commercially produced walking dolls for children did not appear on the market until the 1820s. With the great ascendancy of the French doll manufacturers in the later 19th century, Jules Nicholas Steiner of Paris produced a very successful walking doll which moved on three ingeniously arranged

## Living dolls



wheels. The fashions of the 1860s and 1870s, with their prominent bustles, provided a convenient housing for its clockwork movement. Christie's expect a price in excess of £500 for a very good Steiner walking doll from the Adler collection—a somewhat portly little lady, with a swivelling head beautifully modelled in hi-que, and wearing a checked woollen dress.

Sotheby's have an example of the much more sophisticated "Autoperipatetikos Doll," which walked by actually moving its feet. The example to be sold is still in its original box, with a 1862 label—the year before the model was patented in the U.S.

In 1827 Maelzel, better known as the inventor of the metronome, took out a French patent for dolls which could say "Mama" and "Papa" when squeezed. Subsequently the tiny plaintive whimpers were arranged so that they were activated by a weight when the dolls were tilted. The rarest item from the Adler collection is a French photograph doll of the late 90s. Edison had proposed the idea as early as 1890; and it was announced that he had gone into production with a doll with a tiny photograph hidden in its chest, operated by a handle in the back and with a miniature horn concealed beneath her bodice.

Magazines of the period published pictures of the talking doll workshop at the Edison Laboratories at West Orange, and of the team of little girls employed to record the cylin-

ders in authentically childish tones; but evidently the invention was not a success, and production was discontinued—if, indeed it ever began. I have so far been unable to trace a single surviving Edison talking doll. A year or so later, Jumeau, whose bisque-headed dolls were unrivalled for the excellence, realism and charm of their modelling, took up the idea again, and had his "Poupée Parlante" on the market in time for Christmas 1893. It incorporated a tiny photograph made by the firm of Henri Loret. In the accompanying picture, Mrs. Adler's doll obligingly if indelicately lifts her dress to show the arrangement of the photograph in her chest. The sound box and horn are mounted above the shallow cylinder in record that was characteristic of all Loret photographs. The mechanism is hidden by a perforated cover, and the key is wound in the back of the doll.

JANET MARSH

## ART GALLERIES

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## HOME NEWS

# Accounts change may hit shares and dividends

BY MARGARET REID

LOWER SHARE prices, possible dividend cuts and increasing living costs are among the likely consequences of a new system of inflation accounting for companies predicted by Sir Henry Benson, the prominent accountant who is now industrial adviser to the Bank of England.

Sir Henry expects that "in a relatively short time accounts of all quoted companies are likely to show results on a current value basis." This is anticipated following the recommendations of the Inflation Accounting Committee, headed by Sir Francis Sandilands, who is chairman of Commercial Union Assurance.

Writing in "Hand-in-Hand," the journal of Commercial Union, Sir Henry says that virtually all company accounts are still based on historic cost valuation principles.

"This means that costs in the income statement are understated compared with those currently ruling... Recent experience has demonstrated that, in some cases, income tax is being levied on income which, in the 'real' sense does not exist." By contrast, the expected future inflation accounting method, geared to current values, is forecast to have an impact, nationally and internationally, which "is likely to be profound and has not yet, I believe, been fully realised."

"Inevitably, it will mean price increases which themselves may have inflationary consequences. Price controls, in so far as they exist, should be based on different criteria from those currently ruling. Reported profits will be less, particularly in companies with a high proportion of fixed assets. The basis of assessing taxation on business profits can be expected to change."

Sir Henry says efforts will be made by managements to counteract lower reported profits by economies, and by the elimination of overmanning, both of which may have consequential effects on the level of unemployment.

"Dividends may be restricted or reduced. Stock Exchange prices of securities will tend to be lower, except to the extent that the effects of this new form of accounting are anticipated in share prices during the next two or three years. It will be a painful but necessary readjustment to the facts of life."

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# Lewis Altman denies link with bank investigation

BY MARGARET REID

LEWIS ALTMAN, the stock-broking firm which was suspended from trading last month, yesterday denied that it had any connection with the investigation into allegations of possible currency control irregularities within the Bank of England.

The six-member Altman firm was suspended from trading by the Stock Exchange Council pending clarification of its position following the Treasury's revocation of certain permissions granted to it under the Exchange Control Act, 1947. Treasury investigators are now looking into its affairs.

Altman's statement, which came two days after it had been announced that investigations were being conducted within the Bank of England to discover whether any official had knowingly been involved in any breaches of the Exchange Control Act, said:—

"The company absolutely deny the malicious gossip currently in the City connecting them with an investigation being made by the Bank of England into alleged irregularities by members of the Bank's staff."

Among other points, Altman, whose senior partner is Mr. Lewis Altman, also stated: "The Treasury did not withdraw the company's permission to deal in overseas shares, or withdraw its authorised depository status, neither did the Treasury request the Stock Exchange to suspend the company from trading."

It is understood that Altman is still an authorised depository, entitled under the Exchange Control Act to hold overseas shares, but that it is now subject to restrictions as a result of the revocation of certain exchange control permissions.

In particular, it is thought that the firm is at present unable to deal as a jobber in foreign currency securities, that it cannot maintain bank accounts in foreign currency except for one named account and that its dealings as a broker in overseas securities are subject to certain limitations.

Altman also denied that it or any of its directors had ever dealt for Mr. Ernest Brauch (who is facing charges under the Exchange Control Act), Thames Guaranty or any subsidiary or nominee of theirs.

"None of its six directors has ever met, spoken to or corresponded with Mr. Brauch or any person connected with him," the Lewis Altman, also stated: "The

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# Agatha Christie leaves £106,000

By Kevin Dove

THE MYSTERY of the final size of the fortune generated by Dame Agatha Christie will continue as long as fresh generations of readers become familiar with the famous characters of Hercule Poirot and Miss Marple, but one small part of the jigsaw, her will, was published yesterday.

In it Dame Agatha, who died in January, left £147,810 gross, £106,000 net, to be divided among her children and grandchildren.

After the production of more than 80 books, with sales running to perhaps 400m, copies, published in 28 languages and worth in the bookshops possibly £500m, after a score of plays and around 15 films, Dame Agatha's will provides the thin final icing on a very large cake, the size of which can only be guessed at.

Most of the small remainder of her fortune and the majority of her property go to her husband, Sir Max Mallowan and her daughter by her first marriage Mrs. Rosalind Hicks.

But there are a number of individual bequests. A bust of Mrs. Siddons and 25 volumes of British Theatres are left to her theatrical producer, Mr. Peter Saunders.

Her gardener, Mr. W. Cox is left £500 and the garden manager at her country home, Greenway House, beside the River Dart in Devon is left £200.

When Dame Agatha died, Collins, her publishers, said it was impossible to compute accurately the total of her book sales, far less untangle the web of royalties and copyrights spun over 55 years.

Dame Agatha had a celebrated indifference to money and gave away large parts of her fortune to relatives, friends, godchildren and charities.

In June, 1955, a company, Agatha Christie Ltd., was established to handle incoming royalties and involved virtually all her work after that date.

The company was reorganised in 1968 when Booker McConnell—whose artists' division also owns a stake in the copyrights of the late Ian Fleming, Dennis Wheatley and in the plays and film scripts of Harold Pinter and Robert Bolt—bought a 51 per cent. stake. The holding has since been extended to 64 per cent.

The remainder of the company is now owned entirely by Mrs. Hicks, by Dame Agatha's only grandchild, Mr. Matthew Pinter, who also owns the rights to The Mousetrap, the world's longest running play—or is vested in various family and charitable trusts.

In addition to the company's income from royalties there is a large amount of revenue from the world-wide success of the film Murder on the Orient Express, and a successor, Evil Under the Sun is now being planned.

Warning on moves to cut inflation

BY ADRIAN HAMILTON

A WARNING that some of the measures used to cut inflation could "run counter to the stimulation of investment and of increased effort by individuals," was given yesterday by Mr. Michael Edwards, chairman and chief executive of the Chloride Group, and a member of the National Enterprise Board.

Speaking in Frankfurt, he argued strongly for a long-term industrial strategy which provided a stable environment for industry, greater profitability for companies and greater rewards for individual effort.

"The fundamental principles of behavioural science have apparently been ignored in the construction of the price and pay legislation."

"The psychological effect of the arbitrary way the policy operates creates a situation far too often where improved productivity is not in the immediate interests of either management or production operatives."

"We need a major strategy to encourage productivity in all ways possible—and that means giving further consideration to our approach to price restraints and wage policies."

Britain lacked not so much the will of the workforce as political leadership. His own company's record of manhours lost in Britain, at 0.03 per cent, compared with an average of 0.3 per cent, outside the U.K.

Britain's record as a major exporting country in terms of its combination of high direct export performance and its investment outside its borders was probably unique in the world.

The problem was largely one of attitude and the lack of economic reality among politicians.

To change these attitudes and the country's lack of recent economic performance compared with its competitors, Mr. Edwards suggested an "industrial strategy" based on ten important elements.

These included: the long-term control of inflation; stability of industrial policy; restructuring of the unions; greater productivity and investment in manufacturing industry; lower taxation on research and development; facilities for smaller companies; and limits on new legislation.

# Civil Aviation Authority to raise charges

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority is to press on with plans to raise charges in spite of strong opposition.

Lord Boyd-Carpenter, chairman, said in London yesterday that the authority was obliged to try to break even by 1977-78 because of the Government's decision to withdraw subsidies.

In 1974-75 the authority made an operating loss of £43m., compared with a loss of £31m. in 1973-74. Accounts for 1974-75 are being prepared, but are expected to show another loss, probably in the region of £50m.

Losses have been covered by the Government but this subsidy will cease in 1977-78—hence the authority's recent decision to raise charges substantially from the cost of pilots' licences to the provision of route licences and airline operators' certificates.

There are some areas where the authority cannot do much to recoup outlay. One is the provision of navigation services for the international Euroc organisation. This involves authority in a substantial amount, amounting to more than £27m. in 1974-75.

The authority is seeking change this situation by pressure through the Government on other governments to raise Eurocontrol charges for airlines.

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## FINANCIAL TIMES REPORT

Saturday May 1 1976

## ASSOCIATION FOOTBALL

Today's Football Association Challenge Cup final between Manchester United and Southampton will focus attention on the glamorous end of Britain's No. 1 spectator sport. But behind that glamour Soccer faces some very real problems.

## The game is more than the profits

BY MICHAEL THOMPSON-NOEL

Away from the glamour and glitter of today's Cup Final at Wembley there are two distinct ways of looking at the cash crisis in professional soccer. By ordinary criteria, the problems of the 92 clubs of the English Football League—the biggest in the world and Britain's major entertainment industry—appear profound.

Costs have been savagely inflated. The value of club grounds and stadia, which at the height of the commercial property boom were offered as collateral for large bank loans, has tumbled. Attendances are still stickily entrenched at around 25m. The spectators on the terraces still appear determined to kick the stuffing out of each other. Many League clubs are now faced with expensive

ground safety work. Belligerency, or at any rate petulance, on the field is still conspiring with the poor calibre of much of the play to jeopardise the game's popularity. And on the most conservative of estimates, the total debts of the 92 clubs are now well in excess of £3m.

But there is a second, more accurate, way of looking at soccer's money worries, and it is considerably more cheering at that. This view of soccer's situation recognises the fact that soccer clubs are not in business to mollify shareholders or to produce swiftly rising profits but to win matches, attract crowds and produce the right brand of football. These can hardly be described as conventional business objectives.

In addition—and despite the game's troubles—it is a fact that the last League club actually to go bust was Accrington Stanley in 1962. The moral is clear: however daunting their overdrafts, Football League clubs display an astonishing grasp on life. In addition, they are helped by the fact that it would be an unwise bank manager who did not do everything he could to help his local League club: close the club down and the feed-back would be damaging.

Nonetheless, soccer's problems are severe. Although transfer fees have now fallen to around 50 per cent. of last season's values, most of the 92 clubs are painfully saddled with overdrafts they ran up at the

height of the transfer and property booms, and are struggling, at present, to maintain their interest payments.

In December, Crystal Palace reported a net loss to last June 30 of nearly £80,000 and a bank overdraft of £824,000. Chelsea now owes around £2.5m. on its new East Stand. Sheffield Wednesday lost £86,000 in the year to last May 31. Portsmouth is in serious difficulty, with an overdraft said to be at least £300,000. (The city council has been asked to raise £240,000 for the club with a penny on the rates). West Bromwich Albion—now back in Division One—announced a record loss last August of £139,503. And so it goes on.

But the clubs' tenacity is awe-inspiring. Shortly before Christmas, Luton Town, of Division Two, faced possible bankruptcy. At one point its creditors gave it 28 days' notice to put its house in order—the club's overdraft was £384,000 and its total liabilities as high as £724,000.

### Survived

Yet Luton has survived. It sold Peter Anderson to Antwerp for a shade under £70,000, it sold midfielder Andy King to Everton for £40,000 (he would have been worth £80,000 12 months ago) and it has made two smaller sales since.

It is against this sort of background that the players and late-1974 the Commission on Industrial Relations produced a

ing plans for a freedom-of-contract deal.

The deal at present under review incorporates a system of compensation for a club losing a player to another at the end of his contract. The sum to be paid would be based on the player's salary and signing-on fee paid or offered to the player by his former employers, his age, and the respective standing of the clubs involved.

The case for the scheme is that it should in general further help to debate the transfer market and give professional footballers the right to freedom of contract. The case against is that it could accelerate the movement of players to the point of chaos: that the most outstanding players would rapidly be attracted to a handful of clubs; that the players, in their greed, would set about demanding higher and higher rewards, and that the game's future would swiftly degenerate into one of anarchy and player-power.

Of vital importance is the way in which the new scheme might affect the economic benefits of the present transfer system, which is said to be redistributive in that the richer clubs in Divisions One and Two regularly pour money into the poorer clubs in Divisions Three and Four, without which they could not survive.

The true situation is in fact rather more complicated. In 1974 the Commission on Industrial Relations produced a

thorough survey of soccer's weird finances (Report 87) which examined the matter in depth. The Commission found that over the period 1968-69 to 1972-73 there was a net outflow of nearly £800,000 from the First and Second Divisions to the Third and Fourth. The biggest net loser was the Second, the biggest net gainer the Third. However, the figures varied widely from year to year and no division made a consistent profit of loss on transfers in each of the five years.

How the move towards greater contractual freedom for players will affect the finances of the League remains to be seen, but it will be of vital importance. A second pointer to the future was the news last year of a Royal Commission on Gambling under the chairmanship of Lord Rothschild, which will shortly go to work. The Commission has been set up both to review the present gambling laws and to examine, specifically, how the betting companies can provide further support for the sports that keep them in business.

### Improvements

At present the Pools Promoters Association in Liverpool pays an annual copyright fee of £2m. to which is now to be added an annual payment of around £650,000 in Spot Ball money. This will go to help pay for ground improvement and safety work.

Other developments which are likely to contribute to the slow but sure salvation of Britain's most popular sport include a likely movement towards the sharing of grounds and the probable emergence of a slimmer, trimmer League structure. Last year, Prof. Patrick Rivett of the University of Sussex produced some helpful data to support the claims that the League should return to regionalisation of the lower divisions (to save on transport costs), that it should revert to a universal four-up, four-down system of promotion and relegation, and that if soccer clubs were to go in for stadium sharing on a two-by-two basis they could save themselves at least £50,000 yearly at 1975 prices.

Perhaps the most revolutionary development of all could be a move towards synthetic pitches. One of the biggest problems at present confronting League clubs is the underusage of their costliest asset, their stadium. Most football grounds are used for barely 50 hours a year. A synthetic pitch would change all that, for with minimal maintenance it could absorb as much punishment as the equivalent of 19 grass pitches.

Despite their high initial cost—in the region of £300,000—the arguments for their introduction in the English Football League are obvious. Alan Hardaker, secretary of the League, says: "It is only a matter of time before synthetic



Peter Taylor (left), of Crystal Palace and En (seen here evading a tackle by Cheltenham Harris) is valued by his club at £300,000 in transfer market.

at Wembley this afternoon the colour and excitement of the Cup Final. "It's a well-known fact that the game looks rather more rosy than would appear at first sight, although even its current problems are likely to be forgotten too big to die."

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## Financial reckoning of a special nature

FEW, if any, of the 92 Football League clubs would attract much support on investment grounds if ever they decided to seek a stock market quotation. For a start, their profits, and losses, fluctuate far too much—and are anyway too dependent on factors like transfers—while their balance sheets all too often show precious little equity but a mountain of debt. But football clubs obviously do not have the same objectives as other companies—profits and dividends (usually nominal, if at all) are not the principal yardstick, which is of course success on the pitch.

But like all other companies, football clubs have to remain solvent, generate enough cash to meet sharply increasing bills as well as retaining some semblance of a sensible capital structure. Only a handful of clubs meet these targets—in most cases it is much more a matter of a continuous struggle and the goodwill of a few wealthy supporters and directors.

As with all companies, the published figures and annual reports tell only part of the story. This is not only because of wide variations in the stan-

dard of disclosure but also, more basically, because the balance-sheets omit the clubs' most obviously marketable and profitable source of revenue and profit, their players, while including often completely arbitrary figures for the actual stated assets, principally the grounds themselves.

Yet the profit and loss accounts do give an indication of the pressures faced by many clubs. For example, the last two published reports from Darlington spell out clearly the problems of a club at present struggling at the bottom of the Fourth Division. Thus in 1973-1974, the club's wage bill rose by more than £9,000 to £42,600, which was more than double its gate and season ticket receipts—which in turn had risen by less than £6,000. Moreover, the club faced £21,000 of other expenses and it was only after £10,900 net from transfer fees and £4,400 from development fund proceeds that the pre-interest loss was kept down to £8,400. And after bank published figures and annual reports tell only part of the story. This is not only because of wide variations in the stan-

### Indication

Darlington may not be exactly typical of all the clubs in the lower divisions—some being in a far more serious position—but it does give a good indication of their general financial state. And many of the leading clubs are hardly in a financial position which would make them attractive investments on a "widows and orphans" basis. Queens Park Rangers, for example, made a profit of nearly £45,000 in 1974-75, but a net deficit on transfer transactions turned this into a pre-tax loss of £4,300, taking the total accumulated profit and loss account deficiency to £311,000. This dwarfed capital and reserves, so there



Jubilant faces of West Ham players Billy Jennings (left), bearded Frank Lampard (centre) and Alan Taylor (woollen cap) after their FA Cup win last year.

ings now estimated over £8m., supporters clubs do often make mostly by local businessmen—best known clubs in the First Division. The balance sheets of a lot of clubs are, of course, in many respects totally unrealistic since the principal asset—the ground itself—is effectively unrealisable unless the club disappeared completely. Moreover the specialist nature of the ground and its limited alternative use under planning regulations makes it very difficult to value. Most clubs avoid the problem completely and do not give an up-to-date open market valuation, merely including some historic figure and additions at cost. And hopes of making a profit from developing adjacent unused land have been severely limited not only by the end of the property boom but also by the Community Land Act.

Despite these difficulties, clubs do manage to survive, though in current economic and financial conditions there may not be an everlasting supply of businessmen willing to help out while the banks' patience may not last for ever without signs of an end to the cash drain.

## The manifold implications of a change of gear

THE DIFFERENCE between the Cup Final of 25 years ago, when Newcastle beat Blackpool, and what will be produced by Manchester United and Southampton at Wembley today is very marked. The game itself, despite new systems and terms like "work rate," has not altered fundamentally. But the soccer ball itself has changed considerably, with dramatic results.

In the fifties the traditional leather ball became extremely heavy after rain—indeed it was not unknown for it to be deliberately soaked before the game. In the course of a match the weight could increase to such an extent that a winger with a powerful kick might well have difficulty in reaching the goal, let alone the far post, while a badly timed header was extremely painful.

To cope with a soccer ball that was liable to acquire the characteristics of a cannon ball, has been closer to that of a the players wore solid boots with hard toe caps, one—often two—pairs of thick woollen socks, padded their toes with vast quantities of cotton wool and reinforced their ankles with yards of strapping. Stout shinguards were also vital.

The introduction of floodlights, which initially were not in the over-powerful, meant that the white ball was required and so League Cup. From a national Mitre Sports, in conjunction with ICI and Bostik, developed a special white coating known as Perma-white with a vulcanised base. This not only achieved its objective, but it also meant that the ball kept its original weight throughout a game because very little water was able to penetrate.

Gradually, the obvious advantages of having a ball that remained constant in both weight and shape were recognised, so that eventually all footballs, not just those for use under floodlights, were artificially coated, usually by some form of polyurethane. The outcome was that the game inevitably became quicker because the ball travelled faster and further.

Control

The players and the coaches realised that big heavy boots were no longer required, which led to them being replaced by the light, slipper type variety which allowed players to move much faster. This in turn produced an improvement in ball control.

It followed that the strips worn by League clubs, mainly of man-made fibre, became lighter, the shorts shorter and the whole ensemble more elegant, providing another cause, though only a slight one, for the overall speed-up. Mitre Sports is now the sole supplier for both the English and Scottish Football Associations and for about 75 per cent of League clubs.

This has been a good if not quite a vintage year for English football. The fight for the First Division championship, still undecided, has been unusually absorbing, while Manchester United, surely the most exhilarating team in the coun-

try, have arrived at Wembley. However, the most hopeful sign has been that honours have tended to go to clubs who have played exciting, not merely effective, football. Other optimistic features include the return of recognised wingers, not only at Old Trafford, but also at Northampton; Lincoln City scoring more than 100 goals, and a number of the more successful First Division teams having noticeably cleaned up their game.

It is also encouraging to find that two clubs, Liverpool and West Ham United, have reached the final of European competitions, despite the handicap of a heavy and over-protracted domestic season. This would seem to suggest that English League football is rather better than is often suggested, especially when one realises that the Hammers' form since Christmas has been closer to that of a relegation candidate than that of a possible European cup winner.

Depth

Another indication of the depth of the Leagues is that Second Division Southampton are in the FA final, while last year Aston Villa, then in the Second Division, carried off the League Cup. From a national angle this exceptional depth is something of a handicap, because the small number of world class players tend to be spread too thinly.

Although England failed to qualify for the last stages of the World Cup, I would take the best 10? teams from England to beat 100 sides from any country in the world, but to produce the finest XI for the World Cup in South America is alas a different matter.

Although it has been a satisfying season from the playing angle, the financial position of at least 80 per cent of League clubs can only be described as comparable, sometimes even worse, than that of the national economy. In most cases the revenue from gates and season tickets simply does not cover the wages and the ever-escalating running costs, let alone pay the interest on sizeable bank overdrafts. Considering the number of shrewd businessmen to be found on most football club Boards, it is rather strange that financial policy is so often completely unrealistic.

What can be done, apart from living within one's income? Football might be well advised to take a serious look at commercial sponsorship, without which cricket certainly could not exist on its present scale. The Football League and the FA, who together form an uneasy alliance, have flirted with sponsorship—for example, the Texaco and Watney Cups—without becoming completely involved. Perhaps the time has come.

Rothmans are currently involved in a small, interesting and successful sponsorship in which it is backing the Isthmian, Hellenic, Northern and Western Leagues with cash

and incentives that have made a considerable difference to that a generous sponsor is needed immediately. The alternative could be that many of the clubs will be forced to consider going part time, which might be a sensible move.

average wages to the players are about £70 to £80 a week

Trevor Bailey

Peter Riddell

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Profiting on exchange controls is tempting, but to enforce the Bank's rules would mean major policing. Michael Blanden reports

# Behind the investment dollar imbroglio

CONFIRMATION of an investigation at the Bank of England into possible breaches of the exchange control regulations has hit the City hard because it strikes at the centre of a problem which has been growing in proportion over recent months. The bank has been at the centre of controversy before: memories in the City will certainly go back to issues such as the Bank Rate Tribunal. But in this case the bank itself is the main authority responsible for administering the complex exchange control rules.

There is at present no evidence to indicate that any breaches will in fact be discovered, nor the nature of any breaches which might be involved. Nevertheless, Press reports and City rumours which preceded the bank's announcement have concentrated on one specific area of the regulations, those concerning the investment currency premium. And it is in this area that the most obvious temptation lies for making a profit out of breaking the rules.

It is also in this area that the most public efforts have been made by the authorities to tighten the level of supervision. The Bank of England itself recently issued a strongly worded reminder to banks and stockbrokers, stressing their responsibilities on the implementation of exchange control regulations. This drew attention to the "risk that foreign currency securities may be represented as being eligible for sale with the benefit of the investment currency premium when they do not so qualify."

The point about the investment currency premium is that in effect the result of exchange

control rules is that foreign currency securities—basically, quoted stocks of non-U.K. companies—are worth more to U.K. residents than to non-residents of the U.K. This arises because the fence which is put round the U.K. by the exchange controls requires U.K. residents investing in overseas stocks and shares or in property abroad to acquire the necessary currency from a limited pool of funds available for these purposes.

The demand for such investment coupled with the limited supply of relevant funds available has consistently meant that investment currency—dollars or other currencies—has been worth more in the market in terms of pounds than the current normal exchange rate for sterling. The premium involved has varied widely according to the state of the market—last year it reached an effective level of around 86 per cent. Recently it has been running at around 50 per cent, though U.K. sellers of foreign currency securities forfeit a quarter of the premium as a result of what is known as the "25 per cent surrender rule" under which they have to give up a quarter of the proceeds at the going official exchange rate.

## Temptation

There is an obvious temptation for anybody who can find a way of selling assets with the benefit of the premium without having paid it in the first place. Apart from a few minor loopholes, there are virtually no legal ways of doing this. But the weakness of sterling has in any case made it relatively more

attractive to move money out of the country.

To break the regulations in this way effectively involves two stages. First, it is necessary to get the money out of the country; secondly, it has to be invested in assets which can then be brought back and presented as eligible for sale with the benefit of the premium. The crudest way of achieving the first step would simply be to take the stuff out in suitcases, money could then be used to buy property abroad which subsequently would be sold at a rate including the premium at a substantial profit.

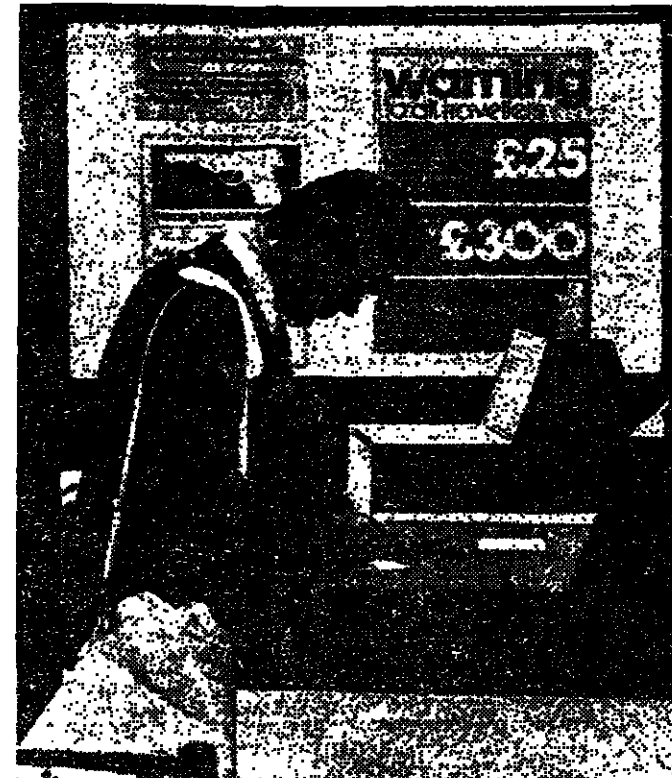
There are more subtle ways of going about it, however. For example, it may be possible through the medium of associated or subsidiary companies abroad to exaggerate the size of invoices for goods purchased in the U.K. This would enable the foreign company in effect to build up a pool of funds above the actual cost of supplying the goods for use in any way, including investment.

Given the diffuse nature of the supervision exercised over exchange controls and their very extensive coverage—their administration is spread over a large number of organisations both official and private—there is clearly scope for unscrupulous operators to find ways of breaking the rules. There have been plenty of signs, from reports of currency smuggling to more complex breaches of the rules, to indicate that the activities may have been growing but that at the same time the authorities have been tightening up their supervision. There is no indication that the various instances which have arisen have any direct connection with each other or indeed anything in common. But moves such as the Bank's own circular and other reminders to the organisations most directly involved have pointed to an awareness of the danger of growing breaches of the rules. The Bank's letter followed a similar note sent out with official approval by the British Bankers' Association. Both concentrated particularly on the investment currency market. Banks, stockbrokers and others buy property abroad to keep a particular eye on dealings in this area, to watch out for unfamiliar sources or unusually large deals and to draw abnormal situations to the Bank's attention.

## Wartime

The need to issue this kind of circular, however, also underlines the problems in administering the exchange control rules. The regulations covering portfolio and property investment abroad, which give rise to the currency premium, are only a small part of the total body of rules involved. These are based on the 1947 Exchange Control Act, which itself derived from the wartime regulations set up in 1939.

Direct responsibility for administering this complex body of rules lies with the Treasury. The bulk of the work, however, is delegated. The Treasury itself maintains only a small staff of a number of dozen officers, a number of whom have been recruited from among ex-police-men. The enforcement officers tend to move in on special situations such as major investigations into currency smuggling;



Where the ordinary traveller meets the exchange control regulations—departure gate at Heathrow Airport yesterday. But there are other ways.

and they are helping the Bank in its own investigations. Part of the work is carried out by the Customs and Excise, which covers the physical movement of goods and such immediate problems as physical smuggling of currency. The bulk of the more technical work, however, devolves on the Bank of England. The Bank maintains an Exchange Control Department

staff of some 750 in its New Exchange annex in the City, of which some 450 are specifically technical officers. Under Mr. Brian Bennett, the head of Exchange Control, these are responsible for the administration of the regulations. The Department, staffed by Bank officials who are subjected to the Bank's normal vetting, is split into four main divisions in

addition to the general administration. One group of some 75 people is concerned with commercial payments, covering items such as trade exports and imports, merchanting, credit and travel. A second, with about 120, covers direct investment, both outward—U.K. companies buying assets abroad—and inward—foreign companies investing here. A third, with about 75, is concerned with the supervision of foreign assets once they have been acquired and certain other related aspects of the rules. The fourth, with some 120 people, covers portfolio investment and personal capital—including all aspects of foreign currency portfolio investment and purchases and sales of property, as well as areas such as emigration and repatriation.

Much of the day-to-day work, however, is delegated further. For certain purposes, around 250 banks are authorised for foreign exchange dealings and carry some responsibilities delegated by the Bank. More generally, there is the list of authorised depositaries, with which foreign currency securities held by U.K. residents have to be deposited. These numbers, at a guess, some 37,000—though by no means all of these would be active. They include the authorised banks and members of the Stock Exchange; they also include solicitors and some other organisations. They too have a certain amount of delegated authority; and in relation to foreign currency securities one of their responsibilities is the identification of the source of stocks and shares and consequently whether they should attract the premium. It was this reason that the Bank's re-

minder was directed at this large group.

It would be surprising if within this widespread range of organisations concerned with administering the exchange control rules there were not opportunities for breaking them. The whole structure is based mainly on the assumption that most people and companies are honest in their dealings and are not deliberately attempting to avoid the regulations. In general, it can still be argued, the fence which has been built around the U.K. in order to protect the reserves has been successful—if it were not, there would be no investment currency premium for investors to take advantage of.

Short of dismantling the exchange controls—which does not seem very likely at the moment—the alternative would be a much more extensive supervision, demanding a far greater expenditure of manpower and probably interfering to a considerably greater extent with the normal workings of trade and of the exchange markets. It is worrying, therefore, if there are signs of a general increase in the number of breaches of the regulations being attempted or even coming to light.

It is also particularly worrying if any suspicion falls on the Bank of England, the fount of knowledge on most aspects of exchange control regulation. The authorities have to satisfy the outside world including Parliament that the internal investigation is being carried out thoroughly and that, whatever the results are, the authorities will come clean.

## LABOUR NEWS

### Participation 'should grow naturally'

BY ALAN PIKE, LABOUR STAFF

THE PRIMARY concern of legislation on worker participation must be to enhance the effectiveness of companies, a group of industrial relations specialists, headed by Sir Leonard Neal, chairman of the former Commission on Industrial Relations, emphasises in evidence to the Bullock Committee.

Legislation confined to principle rather than detail, with participation developing naturally within a structure enabling every company to "find its own path" is the central theme of the group's vision of successful industrial democracy. It firmly rejects the TUC view that there should be mandatory supervisory boards with workers' directors elected by and responsible to only trade union members.

The group of nine directors, managers and consultants who, with Sir Leonard, have compiled the evidence come from 16 companies representing 1 per cent of the private sector workforce.

A participative style of management combined with constructive employee involvement does, the group agrees, improve the effectiveness of a company

but it adds: "However, participation cannot be imposed either a company's management or by external decree. Participation grows because managers at all levels actively promote it and because employees seek it."

Stressing that there is no ideal way in which to begin, particularly in companies with no habit of participation, the evidence urges that any legislation should be confined to stating the principles of industrial democracy, modifying the Companies Acts to ensure that directors take account of employees' interests, and allowing for the agreed appointment of worker-directors. Changing the Companies Acts in the way suggested would, the group believes, eliminate the need for compulsory worker directors.

Summing up the position, the group tells the Bullock Committee it believes the case for workers taking part in decisions and actions affecting them "no longer needs arguing." But many companies and their staffs needed encouragement to start on the difficult path to employee participation "and this should come through enabling legislation backed by a statutory commission."

### Civil Service union fails in appeal over injunctions

BY DAVID CHURCHILL, LABOUR STAFF

CENSURE MOTIONS against Mrs. Kate Losinska, president of the Civil and Public Services Association, will not be debated at next week's annual conference in Margate, following the failure yesterday of an appeal by the union's executive against a High Court injunction banning such motions.

Lord Denning, Master of the Rolls, said in the Appeal Court yesterday that it would be wrong to condemn Mrs. Losinska, before the proper disciplinary procedure had been gone through. The conference will still be free to discuss motions criticising Mrs. Losinska for writing an article in the Readers Digest magazine warning of Leftwing infiltration in the civil service.

### Two steel strikes over

By Our Labour Staff

TWO UNOFFICIAL strikes affecting British Steel Corporation production were settled yesterday.

The 900 skilled maintenance workers at the Ebbw Vale iron-plate plant, South Wales, whose strike over a pay dispute left the corporation about 100,000 tonnes of production returned to work yesterday afternoon after talks between stewards, management and national union officials.

The corporation agreed to pay in full 12 workers who had refused to work on Easter Monday without supervision. In return, workers agreed to lift their policy of non-co-operation in support of a return to "normal" working conditions. A meeting of 200 packers at the corporation's plant at Corby, Leicestershire, yesterday voted to return to work on Monday and will have more talks with management over their demand for extra pay for fitting safety labels on steel tubes.

### NUR motions attack curbs

By Our Labour Staff

HOSTILE resolutions strongly outnumber a single declaration of support for the Government's pay policy on the agenda for this year's conference of the National Union of Railwaysmen at Paignton, Devon.

Seven branches condemn the effect which they say wage restraint is having on living standards and urge a return to free collective bargaining.

Another important topic for debate at the conference, in July, will be the threat of cuts in the British Rail network. Glasgow 5 branch will urge the union to resist any further cuts and prepare the membership for a "war of attrition" against existing services if necessary. The Glasgow branch also urges the three rail unions—the NUR, the Associated Society of Locomotive Engineers and Firemen, and the Transport Salaried Staffs Association—to form a federal structure as a way of funding a permanent campaign to fight for public rail transport.

## ICI to build £30m. Dutch plastics plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

ICI IS to build its first Continental plant to manufacture polypropylene—one of the fastest growing plastics polymers—at Rozenburg, in Holland, the company announced yesterday.

The plant, which will have a capacity of 120,000 tonnes a year, will come on stream in two stages, the first of which will be completed by the end of 1978. At current costs, it seems likely to represent an investment by ICI of more than £30m.

ICI's move follows similar efforts by other producers around the world to increase their capacity in polypropylene, which has been much less affected than other polymers by the downturn in demand for plastics over the past two years.

ICI, which is already the leading producer in Britain is shortly to commission an extra 30,000 tonnes capacity at its Wilton plant on Teesside, bringing overall U.K. capacity up to 190,000 tonnes a year. Shell, another world producer, is to build a 70,000 tonnes plant in Marseilles, France.

The increase in demand for polypropylene has arisen in part from the versatility of the material, which is now widely used in film form in packaging, carpet backing and carpet face fibres, and in moulded form in furniture, building, automotive, and consumer durables components, as well as in heavy duty containers.

Demand in the U.K., according to a recent British Plastics Federation report, is expected to increase by 15 per cent this year, with Continental demand going up by 20 per cent. Overall demand could double by 1980. Some fears have been expressed that over-capacity could develop in the next few years, but the producers claim

that market growth will take care of this even if there are short-term problems. Total consumption in Europe is put at around 715,000 tonnes in 1976, with some output exported, full capacity would be 880,000 tonnes.

The raw material used in polypropylene is propylene, which occurs as a co-product with ethylene from naphtha cracking. The new Dutch facility will be supplied initially by ICI from its petrochemicals division's Wilton plant on Teesside, where a new 400,000 tonnes a year naphtha plant is now being built jointly with BP for completion next year. ICI is likely, however, to be considering the location for its next cracker. It could be that the investment in Rozenburg in Holland for a major plastics plant is a pointer to this.

ICI, which is investing at a rate of more than £1m. a day, also announced this week that it will be increasing the output of ethylene oxide and ethylene glycol at Wilton by about 30 per cent, when new plant is completed in 1978. Current capacity in ethylene oxide, which is used in ethylene glycol, glycol ethers, and thalaminers, is 180,000 tonnes a year. The main outlets for ethylene glycol are in polyester fibre and anti-freeze.

ICI's announcement of its new plant in Holland coincides with a report in the latest issue of the weekly Chemical Age, showing that investment in the Benelux countries has been lagging with the value of current construction projects down 18 per cent on a year ago.

Projects now in hand or completed during the past year are valued at £1,000m. and the decrease over last year compares with a 6 per cent increase in investment in France and a 28 per cent increase in West Germany.

## Imperial cigarettes going up by 3½p for 20

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

IMPERIAL TOBACCO, which by rising costs, the group will controls about 67 per cent of the collect 1p for 20 from the price U.K. cigarette market, is putting up prices in coincide with the duty increases. The increased charges will take effect on May 10.

The two best-selling brands in Britain, Wills Embassy Filter and Player's No. 6 Filter, will go up by 3½p for 20 and 4½p and 5½p respectively.

Imperial says the Price Commission has been told about the increases, been made necessary an ounce

For British-made cigars the increases will be: miniatures 3½p for 10; Wills 5½p for 10; and larger cigars between 1p and 3p each. Cigarettes will go up by 5p for 20. Hand-rolling tobacco will reflect a Budget increase of 6p an ounce.

## Financial director for State aerospace takeover

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. BERNARD Friend, until recently chairman and managing director of Esso Chemicals U.K., has been appointed a member of the Organising Committee for Aerospace—the body set up to prepare for the State take-over of the aerospace industry when the nationalisation Bill becomes law.

Mr. Friend will deal with the financial affairs of the organising committee, and eventually become the full-time financial director of the British Aerospace Corporation.

Chairman of the organising committee is Lord Beaverbrook, and six other members have already been announced, including Mr. Allen Greenwood, chairman of the British Aircraft Corporation. Mr. Friend, 51, is a chartered accountant and has been with the Esso group since 1955, joining Esso Petroleum U.K. as an assistant accountant. His other posts with the Esso group have included finance vice-president for Esso Chemicals, Europe. He became chairman and managing director of Esso Chemicals U.K. in 1970.

## Economic Diary

SPECIAL TUC general council meeting on Wednesday to consider proposed agreement with Government on further period of voluntary pay restraint.

TO-DAY—News-price prices increase. Fares rise on domestic trunk air routes. May Day Rally in Trafalgar Square. Talks in speeches by Mr. Eric Varley and Mr. Ray Buckton (Aberdeen), Mr. Roy Hattersley (Salisbury) and Mr. John Silkin (Bridgend).

SUNDAY—Mr. Denis Healey, Chancellor of the Exchequer, addresses May Day Rally. Old Market Square, Nottingham.

MONDAY—TUC economic committee meets to review progress of voluntary pay restraint talks in advance of Wednesday's publication will include central government borrowing requirements (March), overtime and short-time working in manufacturing industries (February), and stoppages of work due to industrial disputes (March).

TUESDAY—U.K. official reserves (April). Industrial Trends and stoppages of work due to industrial disputes (March). U.K. by General Ernesto Gelsel, Brazilian President. Special meeting of International Tin Council in London. Capital issues and redemptions during April. Vehicle production and new car registrations (April—provisional).

WEDNESDAY—CBI smaller firms council meets. Daily Gazette was published. Financial Statistics (March—final), employment in production industries (February), overtime and short-time working in manufacturing industries (February), and stoppages of work due to industrial disputes (March).

THURSDAY—District Council elections polling day.

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An initial charge of 3% is included in the offer price. An annual charge of 1% of the capital value of the Fund is deducted from the gross income of the Fund to defray management expenses. Subject to this annual charge and net of tax, income is allocated to unitholders each 21st November and 21st May. Prices of units are quoted in the National Press and they may be bought in multiples of ten.  
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I/We wish to invest the sum of £ (minimum £250) in Units of G.T. JAPAN & GENERAL FUND at the price ruling on the day you receive this application. I/We enclose a cheque payable to G.T. Unit Managers Limited.  
I/We declare that I/we are not residents outside the Scheduled Territories and that I/we are not acquiring the above mentioned units as the nominee(s) of any person(s) resident outside those Territories.  
Signature(s) \_\_\_\_\_  
(In case of joint applications all must sign and provide names and addresses on a separate sheet.)  
Full Christian Names \_\_\_\_\_  
Surname (Please state Mr., Mrs., Miss or Title) \_\_\_\_\_  
Address \_\_\_\_\_

مكتبة من الأصيل



## COMPANY NEWS + COMMENT

## Hepworth declines £0.7m. in first half

THE EFFECTS of a fall in sales volume and rising costs at J. Hepworth and Son were partially offset by an economy drive, but profits before tax for the half ended February 28, 1976, were down £0.7m. to £1.32m.

Despite the current trading experience showing little change, chairman Mr. R. E. Chubb, in a comparison of the current six months with the corresponding period last year (when profits were £1.7m.), should appear more favourable.

This year eight shops have been opened, five of which were re-openings, and the expansion programme will continue in the second half when it is planned to open a further 11 (three re-openings).

The interim dividend is held at 0.5p per share; total for 1974-75 was 2.08p.

## Factory costs hit Nathan

TRADING profit of furniture manufacturers, B. and J. Nathan, improved from £125,349 to £226,301 in the year ended December 31, 1975, but after taking into account pre-production costs of £176,268 at the new factory, the figure dropped to £130,033, subject to deferred tax of £28,174, against £70,840.

In the first half profit up from £13,000 to £17,000 also included initial costs at the new factory in Worcester. Furniture Co., which started production in October.

Mr. J. S. Nathan, chairman, reports that performance at the new factory is improving and the directors remain confident it will contribute to 1976 results.

Stated earnings per 25p share are 1.25p (2.98p) and a final dividend of 1.75p (2.75p) net (total from 2.5p to 2.75p, the maximum allowed).

## Setback for Cope Sportswear

Cope Sportswear is forecasting a net loss of around £40,000 for 1975, in an interim circular to shareholders last November, the company indicated that "profits for the full year should be much in line with those earned for the previous year" of £180,000 pre-tax.

When the company's annual statement of the accounts of a subsidiary, Loxstar, has revealed a substantial trading loss in that company, in addition the group has found it necessary to eliminate a number of unfavourable commitments with overseas suppliers, which arose as a result of a number of factors including adverse currency movements.

All companies are now trading profitably and the Board will be recommending payment of a final dividend.

## Results due next week

Following the figures from Marks and Spencer last Tuesday, the retail sector is once again the first to be represented in the company news list with results expected next week from British Home Stores, Burt's Bees and J. Sainsbury.

When the company's annual statement of the accounts of a subsidiary, Loxstar, has revealed a substantial trading loss in that company, in addition the group has found it necessary to eliminate a number of unfavourable commitments with overseas suppliers, which arose as a result of a number of factors including adverse currency movements.

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## Hammerson better second half

PRE-TAX profit accelerated in the second half of 1975 at Hammerson Property and Investment Trust.

The figure for the year 1975, higher at £3.8m. At mid-way the advance was £3.14m. at £1.62m.

1975	1974
Pre-tax profit	3,874,427
Turnover	1,171,017
Net profit	1,935,310
Minority profit	37,489
Shareholders' income	1,972,800
Written off	2,000,375
Attributable	60,325
Deferred interest and other	813,737

Yearly earnings per 25p share are stated at 0.86p (0.83p) and the dividend is held at 4.52p net.

Extraordinary receipts of £2,646,308 (1974 £2,721,272), being realised profits on the sale of property previously held for investment, have been used to accelerate write-off of deferred interest and other development outgoings incurred in previous years in relation to other properties.

## Countryside Prop. back in profit

A TURNROUND from a loss of £87,000 to profit of £13,000 is announced by Countryside Properties for the half year to end December, 1975. Turnover was £2,44m., compared with £2.7m. achieved mainly from the sale of the first 12 months—then lost to deferred tax of £28,174, against £70,840.

According to the directors second half turnover is expected to exceed that of the first and, with current trading satisfactory, it is intended to resume payments of 7p as soon as circumstances permit.

The last payment was a 2.50p net final in 1974-75 for a 4.52p total.

The directors say that steps taken last year to cope with the difficulties as then foreseen have since proved to be justified.

Because of the Budget stock relief provisions, the group has unutilised tax losses of £1.1m. available to defer future tax liabilities.

Regular reviews of the group's land and work-in-progress are carried out by the directors and they are satisfied that provisions of £1.6m. at June 30, 1975, are proving to be adequate.

The group's borrowings are still being reduced, despite the purchase of further prime residential development sites in the London

commuter area to enlarge the company's stock. These purchases are expected to prove especially beneficial in view of the anticipated land famine during the first years of the Community Land Act.

The directors consider that Countryside is not vulnerable to the recent problems of the commercial property sector. The group's current activities in this area are restricted to four sites with planning permission which are at varying stages of development and are all considered to be readily lettable on completion.

1975	1974
Turnover	2,440,000
Pre-tax profit	13,000
Net profit	13,000
Minority profit	37,489
Shareholders' income	1,972,800
Written off	2,000,375
Attributable	60,325
Deferred interest and other	813,737

On the face of it Countryside's first-half profits have placed the group firmly on the recovery

trending. However, adding back the £783,000 property write-offs, revealing an 84 per cent. slide in profits. Turnover has also fallen sharply by 20 per cent. reflecting a much lower level of unit sales. The group is anticipating a higher level of completions in the second half and judging by its high dividend yield, the recovery ratio is around 268 per cent., and the large land bank, which following the recent purchases is still in excess of 47m., is confident that demand will continue to recover for some time. The market however may need more convincing and the shares which at 15p are capitalised at just £200,000 are unlikely to see much upward movement until there is a prospect of a return to the dividend.

## Capital Annuities

Capital Annuities has presented to the court its own petition for a winding-up order and the Official Receiver has been appointed provisional liquidator. The Policyholders' Protection Board has been notified.

The company, which has effectively been run as a closed fund since summer 1973, has adequate funds to meet its immediate liabilities. However, the audited accounts for 1975, to be prepared in accordance with the methods of valuation introduced by recent regulations, would show a considerable drop in the value of the assets giving rise to a material deficiency.

The directors consider that publication of such accounts would probably result in policyholders' surrenders, leading to a further substantial drop in the value of the assets, which would be a material deficiency.

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## Mettoy advance to £1.6m.

FROM turnover of £19.8m. against £17.8m., profits before tax of the Mettoy Co. rose from £1.34m. to £1.59m. in 1975—profits for the first 30 weeks increased from £1.0m. to £1.6m.

Stated earnings per 25p share are up from 4.8p to 4.9p and the dividend is 1.75p on capital. The company's first-half profit is 1.59p, compared with 1.34p last year.

The chairman, Mr. L. J. Lane, says the results for the major part of the year were satisfactory and in line with anticipations, but demand for the latter part of the year did not entirely live up to expectations.

The current year is showing some notable increase in demand, he says. Sales arrangements have been made to continue present borrowings and to have additional facilities available for the increase working capital for the growing turnover will call for.

1975	1974
Turnover	19,800,000
Pre-tax profit	1,590,000
Net profit	1,590,000
Minority profit	37,489
Shareholders' income	1,972,800
Written off	2,000,375
Attributable	60,325
Deferred interest and other	813,737

Orders received so far from both the home and export markets are well in excess of those held at the same time last year.

The terms of the arrangement with Fisher-Price have been changed by agreement. The group will continue to manufacture requirements on the lines originally laid down but they will distribute the products in the U.K. through their own subsidiary rather than through Mettoy Playcraft.

The change should make little difference to the group's turnover, but the overall order position has improved again compared to this time last year, and, since retailers were able to sell sufficient of their Christmas stock, the group's position is expected to hold up this year as well. In the current year, however, margins for Mettoy will have to be adjusted for the recent increase in the price of raw materials, and the group's position is expected to hold up this year as well.

Part of Mettoy's profits growth of 24 per cent. in the second half (compared with 12 per cent. in the first) was due to price increases. But, even taking this into account, a full-year pre-tax profit rise of 19 per cent. on an 11 per cent. increase in turnover was rather an improvement.

The shares rose 2p yesterday to 25p, giving a yield of 9 per cent. which is still well above the sector average. Exports remain around 35 per cent. of total sales, but the overall order position has improved again compared to this time last year, and, since retailers were able to sell sufficient of their Christmas stock, the group's position is expected to hold up this year as well.

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## Progress for 'W' Ribbons

FIRST-HALF (to December 31) profit of "W" Ribbons Holdings rose from £181,225 to £230,772, the directors are confident that satisfactory progress will continue.

Earnings are shown at 2.75p (1.35p) and the interim dividend is 0.50p (0.50p) net per 10p share. Total for the year ended June 30, 1975, was 1.57p paid from profits of £228,000.

Turnover expanded from £2.08m. to £2.73m. The year includes £4.39m. of Autolite which became a subsidiary in 1975; the previous year it was treated as an associate.

1975	1974
Turnover	2,730,000
Pre-tax profit	230,772
Net profit	230,772
Minority profit	37,489
Shareholders' income	1,972,800
Written off	2,000,375
Attributable	60,325
Deferred interest and other	813,737

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## DIVIDENDS ANNOUNCED

Company	Date	Corr.	Total	Total
De Vere Hotels	July 1	1.85	3.82	3.82
R. H. Nathan	June 14	1.55	3.85	3.85
Bremner	July 2	0.51	0.79	0.79
Anchor Chemical	June 12	1.57	3.4	3.35
"W" Ribbons	July 14	0.8	—	1.87
O. C. Summers	—	1.25	0.63	0.63
Scottish Ontario	July 5	2.1	2.95	2.7
Pengalan	June 10	2.1	—	7
Mettoy	June 25	1.75	2.73	2.5
J. Hepworth	June 25	0.85	1.73	1.59
Hammerson Prop.	June 25	0.85	—	2.08
Hamillhouse	—	4.52	4.52	4.52
Futura Holdings	July 1	1.4	1.38	1.26
—	May 21	1.4	2.48	2.45

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issues. †On capital increased by rights and/or acquisition issues.

## Bremner off by £28,019

A small drop in pre-tax profit from £283,044 to £255,025 is announced by general warehousemen Bremner and Co. for the year ended January 31, 1976, subject to tax of £28,019, compared with £283,212 last year.

Profit was up from £242,005 to £255,025.

Final dividend per 25p share is 2.8p net which makes a total of 2.8p (2.8p), the maximum allowed. The payments absorb £18,720 (£18,180).

Tax overprovided in previous years amounts to £2,396 (£18,788). After deducting outside interest, the attributable profit is £252,532, compared with £256,630.

ANZ shares will attract dollar premium

The Bank of England yesterday made a statement clarifying the position regarding shares of Australia and New Zealand Banks, which is changing its residence from Britain to Australia.

Shares of the company held by United Kingdom residents will eventually attract the dollar premium once the change of domicile is completed.

The present shares do not qualify for the premium, but shares in the new Australian holding company will do so.

Non-residents who sell their shares in the company in London will not benefit from the enhanced market price which reflects the eventual dollar premium advantage. The proceeds of their sale will have to be used to buy investment dollars which will then lose their premium when they are retransmitted overseas.

ANZ shares yesterday closed at 112.5p (112.5p) after a rise to 112.5p to 48p on Thursday following news of the coming change of domicile.

## Tebbutt Group loss reduced

Tanners, leather makers, importers and merchants, Tebbutt Group has reduced its loss from £140,731 to £38,266 in 1975. Per 10p share the deficit is down to 0.31p (0.50p).

Turnover amounted to £2.28m. (£2.13m.). After £18,625 (£40,896) tax recoverable, net loss came out at £21,641 (£8,853).

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## UNIT TRUSTS

## Hambro Overseas Bond launch

Hambro Life is launching a new bond fund called the Hambro Overseas Bond. This invests in British companies which earn high proportion of their profits abroad, either from overseas operations or from exports. In order to get the best return, the fund will be made (without duplication of management charges) through the medium of the Hambro Overseas Earnings Fund, a new unit trust which has been acquired by Hambro Life.

The initial offer price is £1 per bond unit and the minimum investment is £1,000. See Page 3.

## G. T. JAPAN

An opportunity to invest in the Japanese stock market is being offered this week by the G.T. Japan Unit Managers through its G.T. Japan Unit. The fund is a unit trust which invests in Japanese equities. The aim of the fund is capital growth.

The Japanese economy is expected to get under way in the U.S. during 1976 in spite of a bad first half, according to a recent report by the Fuji Bank. The trade surplus is forecast to rise from under £2.5bn. in 1975 to over £3.5bn., but the recovery in profits may be delayed and varied, it warned.

General expectations are for an overall increase in GNP of around 4 per cent. this year. The Japanese market has provided sound rewards in previous world bull trends and the G.T. Japan Unit should benefit with its G.T. Japan and General Fund.

The M. and G. Commodity and General Fund is on offer this week with a minimum investment of £100. The fund is a unit trust which invests in commodities. The aim of the fund is capital growth.

The Dow Jones Index could increase from its present level of around 1,000 by between 1,250 and 1,500 if the U.S. economy continues to grow at the rate of 4 per cent. per annum, according to Lawson American.

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# ANNOUNCING WORLD ACCOUNTING REPORT

EDITOR: MICHAEL LAFFERTY, A.C.A.,  
OF THE FINANCIAL TIMES EDITORIAL STAFF

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## GRAMPLAN HOLDINGS

Further progress  
reflects Group's basic strength

Extracts from the Statement by the Chairman, David C. Greig

The 1975 pre-tax profit of £2,771,300 compares with the 1974 figure of £2,407,800, and it bears out the expectation I expressed last year that the group's progress would be sustained and furthered. The year was not a favourable one in the economy generally, and the group's performance reflects its basic strength.

Your directors recommended a final dividend of 11.5p (2.875 pence per share), giving with the interim a total of 14.25p (3.5625 pence per share), which compares with a total of 13.4p (3.35 pence per share) in 1974, and is the maximum distribution permitted by current legislation allowing for the increase in the basic rate of tax in the 1975 Finance Act.

### INDUSTRIAL SERVICES

Sales £22,483,800 (1974 £18,007,800)

Profit £1,628,700 (1974 £761,400)

As in 1973 and in 1974, TRANSPORT was again a star performer in 1975, contributing a useful improvement against a background of continuing high activity. The division's short-haul earth-moving, its long-haul flat vehicles, and its plant hire all did well.

The SITE PREPARATION, EARTH MOVING AND PLANT HIRE specialist company, Clouston Engineering and Construction Ltd, has with its subsidiary company, Alex Morton (Mach Equip) Limited, now been elevated to divisional status with Alex Morton as its executive Chairman. This reflects its much increased volume of work and profitability. The division has had an active year, taking part in many important and varied works throughout Scotland. The CONSTRUCTION division as a whole contributed significantly to group profit in 1975.

The OIL SERVICES division has acquired North Sea Gas Services and Utilities Ltd for an initial cash consideration of £600,000 and two further payments in January and July 1977. The total consideration payable will relate to profits and will not exceed £1.25m, inclusive of the initial £600,000. This company has a strong position in the stocking and supply of engineering equipment and consumables to the oil, heavy oil industry and the servicing of it, and its eight depots are very well sited throughout the United Kingdom. The acquisition has not contributed to the profits now reported; but for the year to 31 March 1975 North Sea Gas Services and Utilities showed a pre-tax profit of £235,000.

### CONSUMER GOODS

Sales £22,030,100 (1974 £18,651,200)

Profit £1,372,100 (1974 £1,169,100)

ELECTRONIC AND AUDIO COMPONENTS emerged as the leading performer in this division, achieving a major further profit improvement due to skilled procurement and marketing and the energetic pursuit of new products. In export as well as in home trade the two companies in this division made progress, and further strengthened their range. The SPORTS division broadly sustained the overall profit level achieved in 1974. The TOURIST AND TEXTILES RETAIL division's profit came within a low per cent of its previous record level.

In TEXTILES there were management changes; aided by a modest strengthening of the market, the manufacturing company returned to profitability. The FURNITURE division improved slightly on its

1974 profit, though it did not approach the figures attained in some earlier years. Product development and the structure of the operating companies are being carefully reviewed.

The MUSICAL INSTRUMENT company did not maintain its former level of profit. It became apparent early in the year that changes were needed, and there was considerable reorganisation.

### PRINTING AND PUBLISHING

Sales £3,828,500 (1974 £3,543,900)

Profit £10,400 (1974 £403,900)

The very marked profit setback in 1975 reflects a difficult and uphill year in which the PRINTING company encountered severe reductions in margins, due to an acutely competitive situation in international print markets. A fundamental review of the company's markets, manning and facilities is now going forward and recovery may take some time. The PUBLISHING company, which produces highly illustrated co-editions for publishers throughout the world and works closely with the printing company, increased its sales.

### SPECIALISED ENGINEERING

During the year the planned restructuring of the group was carried a stage further by the sale of the ELECTRICAL ENGINEERING operations for a total cash inflow of £1,600,000. The small FOUNDRY company was transferred to the Industrial Services sector following this sale.

### ASSOCIATED COMPANIES

The main associated company, GRAMPLAN LAND LTD, in which your group has a 20% interest, owns and operates two hotels in the Aberdeen area which enjoy favourable utilisation because of the exceptional level of activity in that part of Scotland. The company is also interested in several industrial and housing developments. It is now achieving an encouraging profitability, and has made an initial contribution to the group's results.

### GENERAL

On the invitation of the Secretary of State for Scotland, and with the cordial good wishes of the Gramplan Board, our Chief Executive and Deputy Chairman, Lewis Robertson, has accepted appointment as the first Chief Executive, and Deputy Chairman, of the Scottish Development Agency. He joined the group in January 1971, and these accounts therefore mark the fifth year of his stewardship. The pre-tax profits show an increase of 150%; and the earnings per share an increase of 153%; as between 1970 and 1975; but more important, and more significant for the future, is the work of consolidation and of structural and administrative improvement that has been carried through under his guidance. This has made Gramplan today a firmly and positively managed group.

Your directors have appointed William Hughes to succeed Lewis Robertson as Chief Executive, and he will shortly take up his duties. We welcome him as a colleague, and we look forward to his guidance and contribution.

Though the United Kingdom economy still has its problems, it can be hoped that at least some upturn is likely during the current year. The Gramplan group is well set to benefit. I believe that 1976 will see further progress.

## BIDS AND DEALS

# Bowater £3.6m. acquisition

Bowater Corporation is bidding £3.6m. for Standard Check Book (Edin.), an unquoted company with interests in office stationery, computer paper and plastic bags. Irrevocable undertakings have already been received from more than 90 per cent. of the Standard shareholders to accept.

The offer is conditional on a reorganisation of Standard's capital and takes two forms, both of which assume a value of £29.75 for each of the Standard Ordinary shares. First is a cash payment of £8 together with 115 Bowater shares for every 8 Standard shares. Under a cash alternative Standard shareholders may elect, subject to a minimum issue of 730,000 Bowater shares, to receive cash in lieu on a basis equivalent to cash payments totalling £29.75 per Standard share.

Standard at December 31 were £2,593,000 and pre-tax profits were £919,000. Bowater has also offered to buy out all the 30,780 Preference shares of £1 each at par.

## F. H. TOMKINS

F. H. Tomkins has acquired from Hexagon Investments the (part) of Hexagon Tool Supplies of Northampton and Hexagon Fastening of Maidenhead—both distributors of industrial fasteners.

Consideration is £230,000 cash plus a deferred consideration calculated at 8 per cent. of the pre-tax profits for each of the five years ended April from 1977 to 1981 provided such profits exceed £30,000 per annum. The Board estimates that the total deferred consideration will be between £23,000 and £30,000.

Net book value of assets acquired, including stock valued on a basis consistent with F. H. Tomkins method of valuation, is £129,465 subject to a tax liability deferred by stock relief of £56,758.

Pre-tax profits of Hexagon Tool which will continue to trade separately, strongly supported £70,000 in the first full year of trading within the Tomkins group.

## LONRHO/LUBOK

Acceptances of Lonrho's offer for Lubok Investments has been received in respect of 15,132,995 shares representing some 90.9 per cent. of the capital.

The offer has now become unconditional and will remain open. At the same time the Scheme relating to the cancellation of the 12 per cent. Convertible Unsecured Loan Stock 1974 of Lubok has also become effective.

## OFFICE INTERNL.

As from April 1, Office International Group has taken over the general office equipment business previously carried on by Thorn Office Equipment, with the exception of the North of England.

The acquisition increased the number of outlets in the U.K. to 33.

## FRASER ANSBACHER

Shareholders of Fraser Ansbacher have approved resolutions authorising the issue of 14m. new shares to Associated Metals and Minerals Corporation, a member of the Lissauer Group, for £1.52m. cash. As a result Lissauer will hold 25.18 per cent. of the equity and Mr. Maxwell Joseph, Grand Metropolitan and Gillspar will reduce their combined shareholdings to 34 per cent.

Shareholders also approved arrangements whereby Associated

Metals will subscribe for £1.2m. 21 per cent. Convertible Subordinated Unsecured Loans 1991-2001, and Lissauer will provide a further £1m. long term investment to assist the expansion of Fraser Ansbacher group which in the meantime is deposited with Henry Ansbacher and Co. at 7 1/2 per cent. per annum.

## Kiln Products offer for SWACO

In what could be described as a commercial Udying-up operation Kiln Products of South Africa is bidding for the capital of South Africa's SWACO. Terms are for every 100 SWACO shares, £175 in cash or 110 Kiln shares. SWACO holders will still be entitled to the interim dividend of 9.35p declared in March and payable on May 14.

Kiln is an unquoted company (no listing is contemplated for its shares) which processes zinc bearing materials supplied by SWACO, accounting for around 40 per cent. of the last-named's total revenue. Gold Fields of South Africa are technical managers to both companies and own 81 per cent. of Kiln and 40 per cent. of SWACO.

The Anglo American group holds 34 per cent. of Kiln and 44 per cent. of SWACO. CGFA and Anglo have indicated acceptance of the offer and will elect for the share alternative. In addition Consolidated Gold Fields and Charter Consolidated, who respectively own some 3 per cent. and 2 per cent. of SWACO, have also accepted. SWACO rose 40p to 175p yesterday.

## CLARK & FENN

SAYS 'WAIT'

The chairman of Clark and Fenn strongly advises shareholders to take no action on the intended £3.3m. offer by Trafalgar House Investments, and to wait for further information.

Having acquired options in a 26.5 per cent. stake in the company, under arrangements with the family of the late chairman, Trafalgar House is offering two shares for every three Clark and Fenn shares. At a price of 90p, the TH offer is equivalent to 60p per Clark share.

## HANSON 50p FOR ANGUS MILLING

Hanson Trust will shortly make a £1m. cash offer for the Ordinary shares of Angus Milling. The offer of 50p a share, which the Board of Angus consider to be "fair and reasonable," has been irrevocably accepted by 91.5 per cent. of the shareholders.

Of the whole of the £400,000 5 per cent. Unsecured Debenture stock 1991-96 of Angus have also agreed to accept an offer of 54p for £100 nominal stock, or a total consideration of £196,000.

Net tangible assets at May 31, 1975 were £390,000.

## BROXLEA GOES TO BULGIN

The offer by A. F. Bulgina for Broxlea Holdings has been declared unconditional. Acceptances were received in respect of 403,321 shares (50.42 per cent.). As a result of this, Rectifier Modules International will not proceed with its offer of 30p per share.

# ARTAGEN PROPERTIES LIMITED

The following Statement was made by the Chairman,  
Mr. David E. Webb, F.C.A., at the 109th Annual General Meeting  
held in London on 28th April, 1976.

In the remarks that I had originally prepared for this meeting, I had intended to talk of the triumphs of the past year as well as its difficulties and frustrations. I had hoped to tell you of the deep sense of satisfaction which your Board feel in the way our management team have overcome the hazards facing them and of the confidence with which we now view the future. Little did I realise then that the final frustration was to appear out of the blue in the form of an unsolicited take-over bid from our friends at the Sun Life Assurance Society.

Shareholders will have seen in the press and in the letter that I wrote to them on 15th April that Sun Life are seeking to acquire the two-thirds balance of our shares not already held by them at a cash price of 73p per share.

I would like to be certain that shareholders are left in no doubt as to what this means. It means that, if Sun Life were to succeed, your Company would be broken up and its assets transferred to Sun Life. And so, having passed through the darkest days the property world has known and emerged unscathed and with even greater potential, your Company now faces destruction, the dispersal of its first-rate management team and staff, and the stripping of a portfolio of valuable assets. These assets have been carefully assembled over many years to provide shareholders with first-class real security in a time of severe inflation. This Company is no 'lame duck'. It is a world-wide leader in the field of property companies with an internationally respected management team. It is time to tell shareholders that your Board, apart from Mr. Cottrell and Mr. Nicholls, who represent Sun Life and who have naturally not taken part in our deliberations, are unanimous in advising shareholders to reject the Sun Life offer if and when it is made.

Sun Life's objectives appear to be twofold. First, they seek control of a uniquely balanced portfolio of real estate investments of outstanding quality in order to improve their own. Secondly, they seek to avoid the burden of an Agreement which they made with us in 1973. This Agreement was to provide long term financing for the further development of your Company and, under its terms, we still have the right to draw down more than half of the £40 million of 25-year money involved.

This Agreement was entered into freely by both sides. We gave up 25 per cent. of the equity in our business at an equivalent price today of 85p per share in return for a financing arrangement which even in those days was very favourable to Artagen. Sun Life was happy to concede these terms knowing that it thereby became a partner in our business and could benefit from our future progress through its shareholding. Financing on the terms of our Agreement with Sun Life is just not available today from any source. The fact that we have it enables us to look forward with great confidence to the future.

Now Sun Life are attempting to bid for our Company from the share ownership base provided by that Agreement and at a price which takes no account of the value of the financial asset which we enjoy in the form of cheap long term finance.

Copies of the Report and Accounts for 1975 may be obtained from the Secretary at 160 Brompton Road, London SW3 1HS.

The Directors of Artagen Properties Limited (other than Mr. Cottrell and Mr. Nicholls, who are Sun Life's representatives) have not taken part in the Artagen Board's discussions on this matter but have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and such Directors jointly and severally accept responsibility accordingly.

## R. H. Cole slumps

A PRE-TAX profit slump of £11.2m. to £9.3m. is reported by R. H. Cole for 1975 after a decline of £0.7m. to £0.12m. at half-way.

The directors said when reporting that the pre-tax profit for the year was unlikely to be any improvement during the remainder of the year.

For the year earnings are down from £22.7p to 4.2p per 25p share and the final dividend is 1.53p net for a 3.025p (3.06835p) total, costing £56,454 (£57,691).

	1975	1974
Turnover	11,219,209	13,332,566
Group profit	18,230	1,313,035
Shareholders' profit	121,108	1,845,457
Pre-tax profit	20,485	1,424,280
Group tax	11,548	712,152
After tax	8,937	712,128
Net profit	121,899	646,912
Minority	12,444	646,912
Attributable	109,455	646,912
Dividends	56,454	57,691
Retained	52,999	569,221

The company's interests lie in chemicals, plastics and electronics.

## Tate of Leeds slips further behind

A greater pre-tax loss of £91,802, compared with £47,966, is announced by Tate of Leeds for 1975 in the first half profit decline from £41,230 to £1,023. A same-gain dividend of 0.825p net per 25p share is payable, absorbing £1,500.

In May last year the directors said they were confident of a return to overall profitability. The loss includes a profit of £12,117 (nil) on property. Interest payable of £15,855, against £131,790, and an accessories trading loss of £29,398, compared with a profit of £32,633.

There is a tax credit of 15,081 (£25,586 credit leaving a loss of £76,521 (£93,200 loss) before extraordinary debits of £4,147 (nil) on the disposal of the JCB franchise. Motor division results reflect the exceptional and non-recurring charges following the relocation from the city centre, say the directors.

Following the disposal of the JCB franchise in August 1975 further provisions were necessary against stocks and debtors over and above those outlined in October 1975.

The directors also announce a reduction in overall borrowing, conversion of short-term money to long-term money, that the motor division has been rehoused in modern purpose-built facilities.



# Foseco Minsep LIMITED

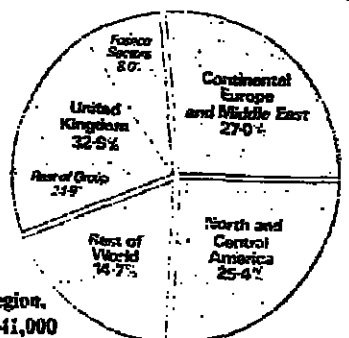
Continued growth despite worldwide recession  
Record sales and profit in 1975

- \* Sales increased in all Sectors ...
- ... to the steel industry from £47.4 million to £54.2 million
- ... to the foundry industry from £42.9 million to £50.8 million
- ... to the building and construction industries from £16.7 million to £20.0 million
- ... and to other markets from £7.7 million to £7.9 million.
- \* New companies have been set up in Hong Kong, Iran and Norway.
- \* Exploitation and development of new products continued throughout the world.
- \* Financial position strong—positive cash flow of £4.7 million for the year.

Summary of results for year ended 31st December	1975	1974
Sales outside the Group	£400	£400
Sales inside the Group	133,119	114,830
Profit before tax	14,156	12,688
Profit attributable to ordinary shareholders	7,782	5,272
Earnings per ordinary share	14.7p	12.8p
Dividends per ordinary share	3.7246p	3.4278p

Eric Weiss, Chairman, says

"... Our policy is one of continued prudent expansion. We intend, where possible, to grow from within... I believe that our Group will definitely continue to advance steadily from the broad and expanding base that we now enjoy."



Fixed Assets by Region,  
End 1975: £21,441,000

Copies of the Annual Report will be available after 1st June 1976 from the Secretary, Foseco Minsep Limited, 36 Queen Anne's Gate, London SW1H 9AR. (01-839 7030)

مكتبة الأمل



## ANNOUNCEMENTS

## Bass Charrington divisional changes

Mr. A. W. N. Lake, a director of Bass Charrington, has been appointed chairman of the Bass Charrington Vintners, of Hedges and Butler, and of Canada Dry (U.K.), the BASS CHARRINGTON subsidiaries responsible for the group's wines and spirits and soft drinks interests. Mr. D. R. Leeward will continue to have overall responsibility for the group's non-brewing interests.

Mr. David Rowe-Sedgwick has resigned from the Board of the DE LA RUE COMPANY upon accepting an appointment in the U.S. as president of the Pan American division of Revlon International. He has been succeeded as chief executive of the Thomas De La Rue division by Mr. Charles Banks. Mr. Banks has been succeeded as managing director of the Security Express division by Mr. Alistair Tennant.

Mr. B. T. M. Jones, Sir Dan H. Mason, and Mr. O. G. Rowntree will retire from the Board of RECKITT AND COLMAN at the end of the annual general meeting on May 28. Mr. Jones, who has been a director since 1973, resigned in November 1973 from the position of chairman and chief executive of Reckitt and Colman Australia due to ill-health. Sir Dan Mason has been a non-executive director since a non-executive director since when Chiswick Products was acquired by Reckitt and Colman. Mr. Rowntree, who has been a director since 1968, will remain chairman of the Board of the French company, Reckitt and Colman's main U.S. subsidiary.

Mr. Anthony Kenyon and Mr. G. J. Voita have been appointed directors of GRINDLAYS BANK. Mr. Kenyon, who was previously personnel director of Pyle of Cambridge Group, will shortly take over the responsibilities of group personnel director. Mr. Voita is the executive vice-president of Citibank N.A. in New York with responsibility for

Citibank's International Banking Group. Last month Grindlays announced the resignation of a director on March 30 of Mr. C. M. Stewart, who returned to the U.S. to take up an appointment as chairman and chief executive officer of American Security and Trust Company in Washington, D.C.

Mr. Walter Griesmann and Mr. Frank Welsh have been appointed directors of FRASER & NEAVE.

Mr. Clifford Leach has been appointed secretary of both Pyle of Cambridge and Pyle Holdings. He joined the PYLE GROUP on March 18 and takes over from Mr. Barry Barker, who has left the group to become chief executive and secretary of the Institute of Chartered Secretaries and Administrators. Mr. Leach joined the Pyle Group in 1960 and has held various legal and secretarial appointments, the last being secretary of Ada Halifax.

Mr. Peter McNelly has been appointed a director of NCR. Mr. McNelly, who joined the company in 1968, has since served as chief accountant and financial controller, and now heads up the planning and control organisation.

Mr. Derek Coward, director of marketing for Gillette Industries in the U.K., has been appointed director of the Gillette company's Paper Mate pen division.

Mr. J. T. Burbury has been appointed to the Board of ANGLO-SCOTTISH INVESTMENT TRUST.

Mr. Stanley Butler, the International Publishing Corporation director previously in charge of IPC Printers, has taken up a senior appointment with Reed Corporation (Pty.) in South Africa. The appointment follows the restructuring of IPC Printers.

Mr. Burton will be based in Johannesburg as chief executive of the paper merchandising, packaging and stationery division. Reed Corporation (Pty.) is a wholly-owned subsidiary of REEDINTER-NATIONAL, which also owns IPC.

The combined practice will operate as TANSLEY WITT AND CO. Corporation (Pty.) is a wholly-owned subsidiary of REEDINTER-NATIONAL, which also owns IPC.

CITY AND FOREIGN INVESTMENT COMPANY, which is managed by Drayton Montagu Portfolio Management, has appointed Mr. Geoffrey J. Bowling, an investment manager of DMPM, to the Board of directors.

Mr. Magnus Fleet has been appointed a director of PD OIL AND CHEMICAL STORAGE, part of the Powell Duffryn Group. Fleet is managing director and secretary of Millers and Corry (Cape Verde Islands), with which he has been associated since 1970 and in which the Powell Duffryn Group has an interest.

Mr. J. W. Phillips, transport manager of Glynwed Domestic and Heating Appliances, has been elected president of the FREIGHT TRANSPORT ASSOCIATION in succession to Mr. Bob Beckham, managing director of SPD.

Mr. R. G. Aldridge, Mr. P. R. Beaman, Mr. C. Crawshaw and Mr. W. Hughes have been appointed directors of EDENLITE.

Mr. H. S. Trembath has retired from RICHARDS AND CO., solicitors. Mr. D. Francis, Mr. J. M. More, Mr. D. G. Warne and Mr. S. P. M. Skirrell have become partners.

Following the recent death of Mr. Raymond A. Partridge, deputy chairman of T. PARTRIDGE AND CO., Mr. H. L. Partridge has been appointed deputy chairman, and Mr. D. C. Huxley, managing director.

Tansley Witt and Co. chartered accountants, has merged their Wolverhampton branch with the practices of W. Vincent Vale and Co. and Michael Groom and Co. A. D. Neil.

# Joint Statement by British-American Tobacco Company Limited and Tobacco Securities Trust Company Limited

The Boards of BAT and TST have agreed to recommend to their respective stockholders that the two companies be merged under a reorganisation scheme whereby TST will become the holding company of the B.A.T. Group and be renamed B.A.T. Industries Limited.

The Scheme has been structured as a merger by reverse takeover of BAT by TST so as to provide a holding company, B.A.T. Industries, and thus facilitate the development of the divisional organisation begun by BAT in 1973.

TST is an investment holding company which has recently lost approved investment trust status. Its assets include a substantial portfolio of "tobacco" investments, some quoted, some unquoted, which represent minority interests in subsidiaries and associated companies of BAT.

The present capital of TST is complicated and the voting rights of the various classes of ordinary and deferred capital are different. The overall effect is:

	Capital Held	Voting Rights
Public Stockholders	84.1%	12.7%
BAT	23.5%	50.4%
Imperial Group Limited (IMPS)	22.4%	37.3%

The proposed merger has been made possible by the agreement of IMPS to have its holdings in TST cancelled for a cash consideration. In 1972 the territorial agreement between BAT and IMPS was terminated and stockholders were informed that each of the two companies had decided to pursue its future development independently of the other. The proposed merger will bring minority interests held by TST in certain of BAT's overseas subsidiaries under the direct control of the B.A.T. Group.

As part of the Scheme, the share capital of TST must be reorganised by the elimination of the BAT and IMPS holdings in TST and the conversion of the deferred stock of TST into ordinary shares together with a capitalisation issue of 3 ordinary shares for each 1 deferred stock unit held to compensate for the differences in rights between the two classes of stock.

Taking this into account the effective terms of the merger are:

For each TST ordinary stock unit: 1 B.A.T. Industries ordinary share.

For each TST deferred stock unit: 4 B.A.T. Industries ordinary shares.

For each 10 BAT ordinary stock units: 12 B.A.T. Industries ordinary shares and 1 B.A.T. Industries deferred ordinary share.

The Scheme

The merger will be implemented by a composite Scheme of Arrangement under Section 206 of the Companies Act 1948, under which:

- IMPS' holding of TST ordinary and deferred stock will be cancelled in consideration of the payment by BAT of £14.3m. in cash which, together with the proposed interim dividend referred to later, is approximately equivalent to the average market value of its holding in TST on 12th January (the day when the stocks last went ex-dividend) and 7th April 1976 when the proposals were put to IMPS.
- BAT's holding of TST ordinary and deferred stock will also be cancelled.
- In consideration of both the above cancellations, TST will incur a debt to BAT which will be subordinated to all other creditors of TST.
- The deferred stock of TST will be converted into ordinary shares and holders will receive a capitalisation issue of 3 for 1 in new ordinary shares.
- TST will change its name to B.A.T. Industries and the ordinary stock of TST will become B.A.T. Industries ordinary shares.
- The holders of the BAT ordinary stock will receive 12 B.A.T. Industries ordinary shares and 1 B.A.T. Industries deferred ordinary share for every 10 BAT ordinary stock units.
- The 5 per cent Cumulative Preference Stock and the 6 per cent Second Cumulative Preference Stock of BAT will remain and therefore will not be affected by the Scheme.

Conditions

The Scheme will be subject to the approval of the stockholders of TST (both in general and in class meetings) and of the stockholders of BAT and, inter alia, to:

- the passing by the members of TST other than BAT and IMPS of an ordinary resolution approving payment of £14.3m. to IMPS in consideration of the cancellation of its holding in TST;
- the passing by the members of BAT other than IMPS of an ordinary resolution approving payment of £14.3m. to IMPS in consideration of the cancellation of its holding in TST;
- the passing by the holders of the 91 per cent convertible stock of BAT Investments Limited of a resolution proposing that the stock currently convertible into a 25p unit of BAT stock at a conversion price of 200p up to 1980 be made convertible into B.A.T. Industries ordinary shares at a conversion rate of 200p up to 1980. This reflects the greater number of B.A.T. Industries shares issuable on conversion;
- the proposed merger not being referred to the Monopolies and Mergers Commission. If it is so referred the Scheme will be withdrawn;
- all necessary clearances under the Income and Corporation Taxes Acts and consents under the Exchange Control Act 1947 being received;
- admission by the Stock Exchange to the Official List of the B.A.T. Industries shares to be issued pursuant to the Scheme;

Board of B.A.T. Industries

On the Scheme becoming effective, the Board of TST (which will have been renamed B.A.T. Industries) will be reconstituted so that it will be composed entirely of the present directors of BAT under the chairmanship of Mr. Peter Macadam.

Dividends

The Boards of TST and BAT have agreed that, if the Scheme is approved, B.A.T. Industries' year end will be changed from 31st October to 30th September to coincide with the current financial year end of BAT.

It is intended to recommend total dividends for the period ending 30th September 1976 equivalent to 10.725p per B.A.T. Industries ordinary share.

It is also intended, in the absence of unforeseen circumstances, to recommend dividends totalling 12.87p per B.A.T. Industries ordinary share for the financial year ending on 30th September 1977.

These dividends are made up as follows:—  
In respect of period to 30th September 1976  
BAT Ordinary Stockholders

	Date Payable	Dividend per BAT stock unit
First interim on BAT stock	1.4.76	3.500p
Proposed second interim on BAT stock to holders on the register on the date the Scheme becomes effective	1.10.76	3.700p
		7.200p

	Date Payable	Dividend per B.A.T. Industries ordinary share (10/12ths)
Equivalent per B.A.T. Industries ordinary share	1.4.77	6.000p
Proposed final on B.A.T. Industries share	1.4.77	4.725p
		10.725p

	Date Payable	Dividend per 25p Stock unit of TST Ordinary Deferred
Proposed interim on TST stock before the merger	31.7.76	6.000p
Equivalent per B.A.T. Industries ordinary share (10/12ths)	1.4.77	6.000p
Proposed final on B.A.T. Industries share	1.4.77	4.725p
		10.725p

	Date Payable	Dividend per B.A.T. Industries share
First interim	1.4.77	3.500p
Second interim	1.10.77	3.700p
Final	1.4.78	5.670p
		12.870p

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## TRANS UNION CORPORATION

The following is an extract from the Letter of the President, Mr. J. W. VAN GORKOM, which was circulated to Shareholders in the Annual Report for 1975:

The year 1975 was a very disappointing one for Trans Union. At \$1.63 per share, consolidated earnings were down 51% from the \$3.30 earned in 1974. The combination of world wide recession and continued inflation made it impossible for our normal operations to earn 1974 results, but the share price would have been made more difficult if it had not been for the heavy losses, equal to \$1.69 per share, that were sustained in a part of our shipping business. The particular operation in question lies outside our normal activities and has now been virtually eliminated. The year 1976, therefore, should see the Company return to a more normal level of earnings. In recognition of the temporary nature of the drop in profits, the Board of Directors raised the quarterly dividend for the 12th straight year.

In 1975 our rail car leasing business, which is justifiably known for its recession resistant characteristics, enjoyed a 95% utilization rate on existing cars. This permitted the strengthening of rental rates as leases expired during the year, and that helped us absorb a 35% increase in repair costs. The result was a new record high in earnings.

The number of new cars added to the leased fleets broke all records by a wide margin, rising 24% above the record additions of 1974. A total of 5,493 new cars were added, built or purchased during 1975, with a value of \$157 million. The heavy additions in 1975 were largely from the huge order backlog that we carried over from 1974. New orders received in 1975 have been down sharply, portending a much lower level of additions in 1976 and substantially reduced capital requirements for the year. Revenues, however, will continue to rise as cars added throughout 1975 enjoy their first full year's rent in the following year. New cars should pick up again after the economic recovery has moved further along, and our programs traditionally lagging behind the business cycle at both ends.

Turning next to the shipping group, very severe losses were incurred in the operation of nine ships that were chartered in from others in late 1974. These ships were intended to carry cargoes under certain special contracts of affreightment. Shortly after the charters were signed, the ocean freight rate structure collapsed before we were able to obtain backhaul cargoes to compensate for the loss of the original cargoes. The result was the recording of some \$20 million in losses on these vessels, and since the foreign subsidiary which incurred them was subject to a very low tax rate, the losses were not offset by the usual tax benefit. This unfortunate combination reduced our earnings by an estimated \$1.69 per share.

The charters on eight of the nine vessels have expired and the ships have been returned to their owners. The charter on the ninth ship expires in April of 1977, but we have needed in 197







# Potato prices may have passed peak

BY PETER BULLEN

POTATO PRICES may have passed their peak at last. Consumer resistance to sharp rises earlier this week combined with the EEC's decision to suspend its levy on new potatoes brought wholesale prices down yesterday.

By next week the drop of about 2p a lb. on imported new potatoes resulting from suspension of the levy should be seen at retail level and within a week to ten days significant arrivals of Mediterranean early potatoes help ease the pressure further.

Producers and wholesalers shot up at the beginning of the week as supplies of home-grown main crop potatoes appeared to be all but exhausted. Retail prices rose to around 18p a lb. and were expected to pass 20p a lb. by the end of the week. Imported new potatoes at 16p a lb. due to increased demand, the fall in sterling and the imposition of the EEC levy.

Prices could have gone even higher, as imported supplies have been tight and the home-grown crop will not be ready for lifting until the end of May—well after the dry weather has passed. Housewives' resistance to high prices prevented any further increases, though. Consumption, which had already dropped from an average 70,000 tons a week to 20,000, was hit again.

## Postponed

Later on Thursday night the EEC Council of Ministers meeting in Luxembourg decided to suspend the import levy on new potatoes which had only come into force on April 25 after being postponed from its usual starting date at the beginning of January.

Imports of varieties are needed urgently in most Community countries. Some towns in France are reported to be without potatoes, even on the black market, and in Germany supplies are also extremely tight.

The levy has been suspended until May 25. Any levies paid on imports since April 25 will be refunded.

From the peak of £9.50-£10 per 50 lb. bag, prices for imported early potatoes have dropped by about £2 a bag and are now back to last week's levels.

The National Federation of Fruit and Potato Traders said the worst was now probably over. With no EEC levy, with sterling improving and imported supplies expected soon, prices may have passed their peak.

Everything was "absolutely right" for home-grown supplies. All that was needed was a good rainfall to ensure a prompt start to the lifting season.

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# Sport: Cricket

## Leicestershire for a double

BY TREVOR BAILEY

LAST SUMMER Leicestershire carried off both the county championship and the Benson and Hedges Trophy. This season, under the captaincy of Ray Illingworth and with the Rhineland, Clift, already proving with ball and bat a most effective replacement for Graham McKenzie, the Midlands must stand a good chance of achieving a double again. With four honours available to the 17 counties, it may not necessarily be the same double however, as they could also do well in both the John Player League and the Gillette Cup.

There are good reasons to suppose that their success will continue. First, their team possesses exceptional balance, with an unusually varied attack capable of evolving all conditions and considerable depth in batting, as was amply demonstrated by their captain's century earlier this week.

Second, they have the confidence bred of recent triumphs and are unlikely to suffer from Test match commitments. Finally, Illingworth can be guaranteed to make the most of the talents at his disposal.

It is always dangerous to predict what will happen in a game, let alone an entire season, but I believe that the steadily improving Yorkshire, under Geoff Boycott, will be challenging strongly for the county championship, which is excellent news both for Yorkshire and English cricket.

On paper Kent are probably the most powerful side, but their hopes of taking the title are again likely to be seriously handicapped by Test calls, if not as much as in the past, while Surrey, providing the Oval pitch is not too placid, should be up with the leaders. Kent and Surrey also have well above average reserve cover, which has so often proved vital.

Two teams who have never captured the championship pennant, Essex and Northants, represent good outside bets. The former will be greatly assisted by the West Indies not including Boycott in their touring party, while both have matching wingers and an outstanding all-rounder and a born competitor, had this effect on Derby, Somerset, despite the absence of Viv Richards, can also be expected to climb the ladder because they have some of the most promising young players in the country.

My own choice for the eventual winner of the county championship is either Leicestershire or Yorkshire, with Surrey providing the formidable threat and Essex an interesting long shot.



Left: the Leicestershire captain, Ray Illingworth. Right: his opposite number in Yorkshire, Geoff Boycott. The two counties may well fight out this season's honours

# Racing

## Lost Chord for Ascot win

BY DOMINIC WIGAN

TWO REALLY promising three-year-old colts—Lost Chord and New Order—clashed in today's White Rose Stakes (1.50) at Ascot, and this mile and a quarter event should provide a fine spectacle for the many racegoers who are likely to take in most of an interesting programme before returning to their homes for the Cup Final.

Lost Chord, an inmate of Peter Walwyn's Seven Barrows stable, has not been long in confirming the promise he showed when finishing 5th of 18 on his race course debut behind Glastonbury at Ascot in October.

Three weeks ago at Newbury Lord Howard de Walden's powerfully-made Busted Colt showed what a bright future he has in front of him when running the more experienced Lighter to a neck in the 19-runner Spring Maidens Stakes, in which the remainder of the field were well strung out.

New Order, another beautifully bred colt (he is by Reform out of Hummer's dam, Darlene) has also had two races, and is second to Donald Young at Newbury in the Autumn, where he was relegated to fourth place for causing interference below the distance. New Order impressed all who saw him when returning

to that course for the 20-runner Compton Maiden Stakes on April 10.

After hitting the front a furlong from home there Sir Michael Sobell's colt was caught in the final stride by Henry Candy's highly-rated Nijinsky colt, Umabatha. Had that mile

## SELECTIONS

- 1.45—Teddington Park
- 1.15—Berkeley Square
- 1.50—Lost Chord\*\*\*
- 2.20—Last Tango\*\*
- 2.50—May Hill\*
- 3.20—Comet Kohoutek

even been over an additional half-furlong I have little doubt that New Order would have battled his way back into the lead.

In what promises to be one of the most informative Derby trials of the month I take Lost Chord, a 33-1 chance for the Blue Riband, in which his stable-mate, Oats, is quoted as low as 10-1 in some lists, to get the better of New Order, and the possibly under-rated Newgate.

A year ago the Top Rank club-supported Victoria Cup (1.15) went to the 22-1 chance Rhodanthe, and it will be interesting to see if Peter Making's charge (who is again partnered by Geoff Baxter) is up to completing the double.

In a tricky event this tough son of Blast, who has gone up by only one lb in the weights, is suggested as the main threat to Berkeley Square, a four-lengths winner from Cretown over today's trip of seven furlongs at Kempton ten days ago.

Three course winners, Streak, Overtown and Last Tango—meet in the nine-runner Crocker Buteel Stakes (2.20) in which the remaining runners all have claims to consideration, and backers are likely to have a tricky time sorting things out. Although Lester Piggett has been engaged for Streak, whom he rode to 4th place in the Ladbrooke Club Handicap at Epsom on April 22, I believe it could pay backers to take a chance on that disappointing four year old stablemate, Last Tango.



Ian Balding, trainer of Teddington Park, an intended runner at Ascot today. Teddington Park cost £75,000 as a yearling and will be the first horse by Mill Reef, the great Prix de l'Arc winner, to be seen on a racecourse.

# Yachting

## Going for gold

WHEN THE Olympic medal tables are shown on television later this year from Montreal it could well be, the yachtsmen who will be boosting the British showing.

In at least three of the six classes raced at Olympic level, and in possibly two more, home-grown competitors have already shown they are ready to take on the world's best and come out with flying colours.

Britain already has two world champions to call its own this year and has another winner at the French pre-Olympic regatta held at Hyeres last week, a reigning Olympic gold medalist and a very determined silver medalist.

The Hyeres event left Britain with by far the best showing of any nation, with wins in the Tornado, 470 and Finn classes. The Tornado victory by Reg

White was brilliant. He won the world series earlier this year in Australia and has since been to the United States where he beat the opposition on their own ground.

Apart from having struck world-beating form in an Olympic year, he also enjoys first-class competition at home from Ian Fraser and Kim Stephens, and not least from his own son Robert. His chances of a gold are high enough to justify the excited confidence in the British camp.

Top Finn sailor is Chris Law, who also won his world championship, also in Australia, earlier this year. He gave the Hyeres regatta a miss, preferring to concentrate on the European championships at Graux du Roi, France, this week-end. The man who had come fourth in Australia, David

Howiet, won the event at Hyeres and he now gives the Europeans the miss as he takes a break and cools down after an argument with the French over their way of organising an international yacht-racing event.

Both are good friends off the water but either would be worthy of the place in the British team which will compete at Kingston on Lake Ontario—150 miles from Montreal and, according to the local Texans, big enough to accommodate England and more besides.

Winner of the 470s at Hyeres was Laurie Smith, but he will be hard pushed at Weymouth Olympic Week from May 15-23 by his old rivals Phil Crebbin and Jeremy Bickerton. It is during this series that he will be picked and

among the competitors who will be aiming to restore their reputations will be the Flying Dutchman ace Rodney Pattison the current and double Olympic gold-medallist.

At the French pre-Olympic regatta and the European championships which followed he failed to make even a decent showing as the difficult conditions, new equipment and capsize upset his chances. But he is expected to come back strongly at Weymouth and no one will be surprised if a dramatic return to form sees him leading the fleet and securing a place in the British team.

The Tempests, which were not sailing at Hyeres, are in the process of completing their European championship at Alassio, Italy, to-day.

STUART ALEXANDER

# COMMODITIES/Review of the week

## Cocoa and coffee dip from peak

BY OUR COMMODITIES STAFF

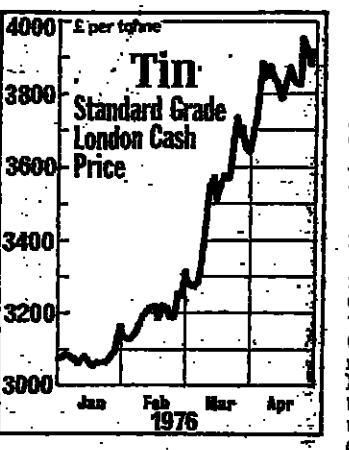
AFTER ATTAINING record levels on Monday, cocoa and coffee values began a steady decline on the London terminal market. July cocoa, which had reached £29.75 down at £29.65 a tonne, £113 below Monday's peak. July coffee, having reached £1,422.5, ended 25.5 lower on the week at £1,322.5 a tonne.

The falls were generally seen as a reaction to the recent dramatic rises, although the stronger tone of sterling added to the downward pressure.

The expected effect of the upturn in demand which had been largely responsible for the rise in cocoa was illustrated in the Gill and Duffus market report published on Thursday. The London merchants now put the 1975-76 world surplus at 7,000 tonnes against a demand of 10,000 tonnes. Stocks at the end of the current season are now expected to amount to only 3.5 months' supply.

The report points out that the tightening fundamental supply/demand situation, allied to currency influenced buying, was the perfect formula for the recent spectacular rise in market prices.

The decline in coffee prices was encouraged in mid-week by a U.S. Department of Agriculture report that the Brazilian 1976/77 crop is making an exceptionally good recovery from last July's frost damage. The crop could reach 8.5m-10m.



to sign the new Tin Agreement due to come into force on June 30 when the present pact expires.

As Bolivia is the world's second biggest tin producer, the Tin Agreement—the longest existing commodity pact—would have effectively collapsed. However, Bolivia relented late last night and agreed to sign the fifth International Tin Agreement following talks between President Ringu Banzer and a delegation led by La Paz by the Tin Council earlier in the week. The mission sought to change Bolivia's negative attitude prior to next Wednesday's special meeting of the Tin Council called by consumers to consider lifting, at least temporarily, existing export restrictions.

Producers, especially Bolivia, are expected to press for an increase in the Agreement's price ranges, especially the "ceiling," and it is in anticipation of this that the tin market has been achieving some success that has not been reflected in the all-time peak of around 25m. bags by 1979/80.

Tin prices reached near-record levels this week. The standard grade three months quotation climbed to an all-time peak of \$4,087 at one stage and ended the week £103.5 up at \$4,022.5 a tonne.

Cash tin gained \$35 yesterday to close at \$3,917.5 a tonne, \$95 higher on the all-time peak of \$4,087. The price rose by \$20 to \$3,917.5 a tonne—only \$31 below the "ceiling" of the Tin Agreement.

The tin market was shaken by news that Bolivia was not going

# COMMODITY MARKET REPORTS AND PRICES

BASE METALS					
COPPER—Little change on balance on the London metal exchange, but other valuable pre-market trading forward metal traded up to 335.7 and down to 335.0. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. Cable metal ranged from 328.0 and 330.0 before ending at 330.7 on the afternoon. 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The Times Saturday May 1 1976

Table with multiple columns listing various financial data, including stock prices and company names. Includes sub-sections like 'N-O', 'P-R', 'S-T', 'U-V', 'W-X', 'Y-Z'.

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Table titled 'BUILDING SOCIETY RATES' with columns for Deposit, Rate, and various building society names like Abbey National, Alliance, etc.

Table with multiple columns listing various financial data, including stock prices and company names. Includes sub-sections like 'A-C', 'D-F', 'G-I', 'J-L', 'M-O', 'P-R', 'S-T', 'U-V', 'W-X', 'Y-Z'.

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Table titled 'LOCAL AUTHORITY BOND TABLE' with columns for Authority, Annual gross interest, and various local authority names like Barking, Greenwich, etc.

NEW HIGHS AND LOWS FOR 1976

Table with columns for 'NEW HIGHS (128)', 'FOREIGN BONDS (7)', 'AMERICANS (14)', 'CANADIANS (7)', 'RANKS (7)', 'SEAS (2)', 'BUILDINGS (3)', 'CHEMICALS (3)', 'DRAPERY AND STORES (1)', 'ELECTRICALS (2)', 'ENGINEERING (15)', 'FOOD (2)', 'INDUSTRIALS (24)', 'INSURANCE (1)', 'MOTORS (7)', 'NEWSPAPERS (1)', 'PAPER AND PRINTING (3)', 'PROPERTY (1)', 'SOUTH AFRICANS (1)', 'TEXTILES (1)', 'TOBACCO (3)', 'TOYS (1)', 'OVERSEAS TRADERS (2)', 'RUBBERS (4)', 'MISCELLANEOUS (16)', 'NEW LOWS (18)'.

RISES AND FALLS YESTERDAY

Table with columns for 'Up', 'Down', 'Same', and various stock market indicators.

ACTIVE STOCKS YESTERDAY

Table with columns for 'No.', 'Closing price', 'Change', and various stock market indicators.

ON THE WEEK

Table with columns for 'No.', 'Closing price', 'Change', and various stock market indicators.

Option Report—3-month Call rates

Table with columns for 'First Last', 'Deal-Declar', 'Settle-ment', and various option rates.

U.K. CONVERTIBLE STOCKS 30/4/76

Table with columns for 'Name and description', 'Size', 'Current price', 'Conversion date', 'Flat yield', 'Red. yield', and various convertible stocks.



## STOCK EXCHANGE REPORT

Markets continue firmly as Account draws to a close  
Index up 5.9 at 418.1 for a rise of 17.1 on the weekAccount Dealing Dates  
Option

First Declared Last Account  
Dealing Date Dealing Day  
Apr. 20 Apr. 29 Apr. 30 May 1  
May 3 May 13 May 14 May 25  
May 17 May 27 May 28 Jun. 9

"New time" dealings may take place  
from 9.30 a.m. to 10.30 a.m. earlier.

Stock markets ended the  
account on a quietly firm note  
yesterday. Underlying sentiment  
continued to reflect the recent  
recovery in sterling, while the  
encouraging quarterly report on  
the fall in the rate of inflation and  
talk of a reduction in Minimum  
Lending Rate next week were  
additional helpful factors.

British Funds made further  
progress, mainly at the short end  
where gains extended to 1.1, but  
long-dated stocks fluctuated nar-  
rowly before closing without  
much alteration. News of the  
10 per cent. reduction to 6 per cent.  
in Citibank's Prime Rate had  
little immediate impact. The  
Government Securities Index  
hardened 0.02 further to 12.16.

In a rise of 1.33 on the week,  
the 10 per cent. of the day's  
equity leaders took place in the  
after-hours, dealings reflected  
in the FT 30-share index which  
extended a rise of 2.9 at 3 p.m. to  
one of 5.9 at the close of 418.1,  
thus almost erasing the fall of  
18.6 reached on Wednesday of  
last week. However, there was  
still a marked lack of activity,  
average daily bargains over the  
week amounted to only 3,254.

Second-line equities en-  
countered selective support, but  
features were few and far  
between. Right falls by nearly  
1.1 in FT-quoted Industrials, while  
the FT-Actuaries All-Share  
index improved 0.3 per cent. more  
put on 3 more to 27.5p in Dis-

to 169.29, making a gain of 2.27  
per cent. on the week.

## Short Gilt up

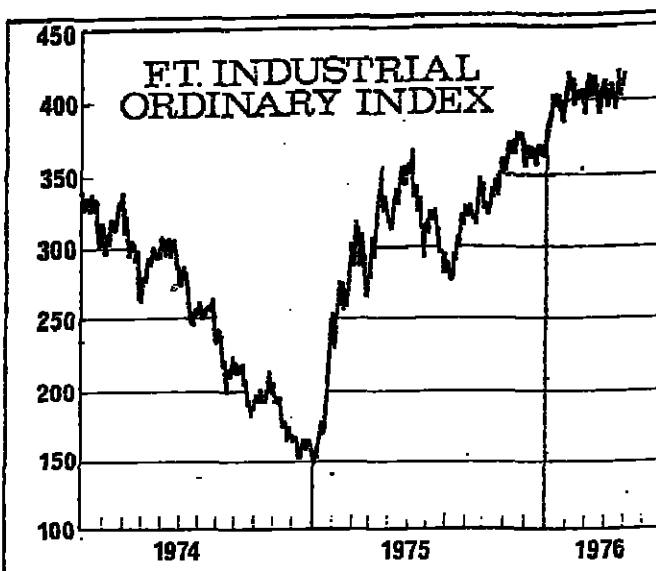
Gilt-edged were sufficiently firm  
underneath to resist the bearish  
implications of U.S. money supply  
figures and, although medium-  
term bonds hovered slightly either side  
of overnight gilt levels, short-  
dated issues moved further upward  
progress. The unexpected late  
news of a small cut in the U.S.  
prime rate, which aroused hopes  
in money markets of a possible  
fall next week in Minimum Lend-  
ing Rate, made little impact on  
sentiment after-hours. Before-  
hand, the shorts had traded  
moderately in continuing thin  
dealings, but business had been  
more evenly balanced than of late.  
Corporates again fared well and  
achieved fresh gains of 1  
generally.

Much of yesterday's interest in  
the investment currency market  
represented end-financial year  
considerations and, in continuing  
this trading, the premium rose  
to 120 per cent. before settling  
three pence, although the  
110 per cent. yesterday's SE con-  
version factor was 0.6438 (0.6397).

## ANZ easier

After the previous day's jump of  
6.5 on the planned change of domi-  
cile together with the proposed  
11m. rights issue and higher  
interim profits, Australia and New  
Zealand Bank met with profit-  
takers and ran back 11 to 47.5p;  
this still left a gain on the week  
of 3.2. Dollar premium advances  
helped Hongkong and Shanghai  
put on 7 to 34.5p. A small amount  
of loose stock came on offer at  
the end of the account in home  
equities.

Banks and prices drifted lower,  
Midland ended 5 off at 25.5p and  
countered selective support, but  
features were few and far  
between. Right falls by nearly  
1.1 in FT-quoted Industrials, while  
the FT-Actuaries All-Share  
index improved 0.3 per cent. more  
put on 3 more to 27.5p in Dis-



counts. Among quietly firm  
Insurances, Britannia Bead were  
wanted in brokers, closing 3 higher  
at a 1976 high of 98p.  
P. C. Henderson "A" continued  
firmly in Buildings, rising 4 to 36p  
for a two-day gain of 15 following  
Press comment on the prelimi-  
nary results. Substantially higher  
profits took O. C. Summers up 3  
to 47p, while Brown Jackson, 45p,  
and Richards and Wallington,  
60p, put on 3 and 4 respectively.  
ICI hardened 3 to 30.5p in  
Chemicals where rises of 8 were  
seen in Fisons, 39.5p, and Hoechst,  
34.0p. Norsk Hydro were 13 points  
up at 23.5p. Anchor, however,  
lost 1 point to 11.5p following  
the preliminary statement.

## EMI higher

Electrical leaders generally  
showed improvement following a  
reasonable business. EMI, still

in its wake, GKN rose 3 to 34.5p,  
but Tube Investments managed to  
only a 2 improvement to 37.4p  
and Vickers were similarly de-  
clined at 20.0p. News items lifted  
Bros. 4 to 7p and United  
Wire 2 to 46p. Ahead of Monday's  
results, Haden Carver advanced  
4 to 12.9p, but bearish advance  
lowered it to 7.5p before a close  
of a net 3 down at 8.0p. Fair-  
way and 31.5p, which at 7.7p  
while Stothard and Pitt were simi-  
larly de- 11.4p. Weyburn  
rose 3 to 24.2p. Shipbuilding re-  
served. Swan Hunter closing 3 up  
at 32p and Yarrow 4 better at  
17.5p.

Angus Milling featured Foods,  
rising 11 to 34.5p on the bid from  
British Agricultural Services  
which is a subsidiary of Hanson  
Trust (3 harder at 14.4p). Row-  
tree Mackintosh improved 6 more  
to 19.7p peak of 24.3p for a  
rise on the week of 17. Linford  
moved up 3 to 19.5p, but small  
selling left British Sugar 3  
cheaper at 35.5p. De Vere  
rose 1 penny after the  
results in little-changed  
Hotels and Caterers.

## Unilever better

Miscellaneous Industrial leaders  
made further modest progress dur-  
ing the afternoon. Unilever  
improved 6 more to 48.8p, Reckitt  
and Colman 5 to 33.5p, and  
Beecham 4 to 36.0p. European  
Ferries, with results due soon, closed  
2 harder at 71.1p while Feeder,  
ahead of preliminary figures due  
Tuesday, gained 2 to 37p. Reed  
Executive, at 48p, reduced 3 of  
the recent fall which followed the  
profits setback. Still benefiting  
from the profits advance, What-  
man Reeve Angel added 3 at 88p  
for a two-day rise of 8, while the  
first-half profits expansion left  
"W" Ribbons 2 firmer at 28p and  
R. H. Cole put on 2 to 45p despite  
the fall in profits. Maynards, re-  
flecting the half-year profits con-  
traction, shed 3 to 30p.

Pearson Longman derived  
further benefit from better-than-  
expected figures, closing 2 higher  
at 12.7p, while renewed invest-  
ment demand lifted News Inter-  
national 1 to 17.1p. Still reflecting  
the capital expansion plans  
Ordinary jumped to 30.0p before  
and, despite poor second-half  
results, Reed and Smith rallied  
10 to 29.5p. South-  
Compton revived 3 to 60p and  
Woodrow Wyatt 2 to 23p.

Forum Props. advanced  
Leading Properties fluctuated  
before ending a shade better for  
choice. Land Securities were  
finally 2 up at 16.5p, after 18.5p,  
and HEPIC penny harder at 8.5p  
after 6.0p. Elsewhere, Forum Prop-  
erties closed 11 higher at 40p, 44p,  
and "Sania-Virosa,"

following news that approaches  
but Tube Investments managed to  
only a 2 improvement to 37.4p  
and Vickers were similarly de-  
clined at 20.0p. News items lifted  
Bros. 4 to 7p and United  
Wire 2 to 46p. Ahead of Monday's  
results, Haden Carver advanced  
4 to 12.9p, but bearish advance  
lowered it to 7.5p before a close  
of a net 3 down at 8.0p. Fair-  
way and 31.5p, which at 7.7p  
while Stothard and Pitt were simi-  
larly de- 11.4p. Weyburn  
rose 3 to 24.2p. Shipbuilding re-  
served. Swan Hunter closing 3 up  
at 32p and Yarrow 4 better at  
17.5p.

Angus Milling featured Foods,  
rising 11 to 34.5p on the bid from  
British Agricultural Services  
which is a subsidiary of Hanson  
Trust (3 harder at 14.4p). Row-  
tree Mackintosh improved 6 more  
to 19.7p peak of 24.3p for a  
rise on the week of 17. Linford  
moved up 3 to 19.5p, but small  
selling left British Sugar 3  
cheaper at 35.5p. De Vere  
rose 1 penny after the  
results in little-changed  
Hotels and Caterers.

Miscellaneous Industrial leaders  
made further modest progress dur-  
ing the afternoon. Unilever  
improved 6 more to 48.8p, Reckitt  
and Colman 5 to 33.5p, and  
Beecham 4 to 36.0p. European  
Ferries, with results due soon, closed  
2 harder at 71.1p while Feeder,  
ahead of preliminary figures due  
Tuesday, gained 2 to 37p. Reed  
Executive, at 48p, reduced 3 of  
the recent fall which followed the  
profits setback. Still benefiting  
from the profits advance, What-  
man Reeve Angel added 3 at 88p  
for a two-day rise of 8, while the  
first-half profits expansion left  
"W" Ribbons 2 firmer at 28p and  
R. H. Cole put on 2 to 45p despite  
the fall in profits. Maynards, re-  
flecting the half-year profits con-  
traction, shed 3 to 30p.

Pearson Longman derived  
further benefit from better-than-  
expected figures, closing 2 higher  
at 12.7p, while renewed invest-  
ment demand lifted News Inter-  
national 1 to 17.1p. Still reflecting  
the capital expansion plans  
Ordinary jumped to 30.0p before  
and, despite poor second-half  
results, Reed and Smith rallied  
10 to 29.5p. South-  
Compton revived 3 to 60p and  
Woodrow Wyatt 2 to 23p.

Forum Props. advanced  
Leading Properties fluctuated  
before ending a shade better for  
choice. Land Securities were  
finally 2 up at 16.5p, after 18.5p,  
and HEPIC penny harder at 8.5p  
after 6.0p. Elsewhere, Forum Prop-  
erties closed 11 higher at 40p, 44p,  
and "Sania-Virosa,"

## FINANCIAL TIMES STOCK INDICES

	April 29	April 30	April 29	April 30	April 29	April 30	April 29	April 30
Government Stock	62.16	62.14	61.80	61.47	60.81	60.85	59	57
Fixed Interest	61.75	61.67	60.94	60.54	60.16	60.49	57	57
Industrial Ordinary	418.1	418.2	410.3	408.9	406.1	410.8	83	83
Gold Mines	187.9	188.5	186.9	182.0	180.7	178.0	87	87
Ord. Div. Yield %	5.04	5.10	5.15	5.16	5.19	5.28	8	8
Earnings Yld. 100/1	14.90	14.99	15.07	15.12	15.28	15.45	16	16
P/E Ratio (20/1)	8.83	8.81	8.76	8.73	8.62	8.52	7	7
Debt to Equity	5.208	5.362	5.540	5.584	4.958	4.107	6	6
Equity turnover (m)	62.50	61.97	59.94	59.07	57.20	57.20	71	71
Equity bargains total	14,124	13,734	13,949	13,760	13,518	13,518	19	19

10 a.m. 412.1, 11 a.m. 415.5, Noon 417.1, 1 p.m. 415.5,  
2 p.m. 413.9, 3 p.m. 413.1.  
Latest Index 418.2.

(Based on 32 per cent. corporation tax, 10/10/75.  
Ratios 100 Gilt Secs. 131/10/75, Fixed Int. 15.5, Ind. Ord. 17/21,  
Mines 17/30, SE Actuary July-Dec. 1974.)

## HIGHS AND LOWS

	High	Low	High	Low	High	Low	High	Low
Govt. Secs.	62.16	60.19	127.4	49.16	100.0	100.0	100.0	100.0
Fixed Int.	61.75	60.54	100.0	100.0	100.0	100.0	100.0	100.0
Ind. Ord.	418.1	406.1	100.0	100.0	100.0	100.0	100.0	100.0
Gold Mines	187.9	178.0	100.0	100.0	100.0	100.0	100.0	100.0
Ord. Div.	5.04	5.28	100.0	100.0	100.0	100.0	100.0	100.0

## S.E. ACTIVITY

	High	Low	High	Low	High	Low	High	Low
Govt. Secs.	62.16	60.19	127.4	49.16	100.0	100.0	100.0	100.0
Fixed Int.	61.75	60.54	100.0	100.0	100.0	100.0	100.0	100.0
Ind. Ord.	418.1	406.1	100.0	100.0	100.0	100.0	100.0	100.0
Gold Mines	187.9	178.0	100.0	100.0	100.0	100.0	100.0	100.0
Ord. Div.	5.04	5.28	100.0	100.0	100.0	100.0	100.0	100.0

## MONTHLY AVERAGE OF STOCK INDEX

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
--	------	------	------	------	-----	------	------	------	------	------	------	------

Financial Times  
Industrial Ord. 418.2  
Fixed Interest 61.67  
Gold Mines 188.5  
Ord. Div. Yield 5.10  
Earnings Yld. 14.99  
P/E Ratio 8.81  
Debt to Equity 5.362  
Equity turnover 61.97  
Equity bargains 13,734

## Good week in Golds

South African Gold shares  
ended another good week of  
firmness, although yesterday's  
gains owed more to the further  
rise in the investment dollar  
premium than to any sizeable  
buying orders. Gold Mines  
in the main rose 3.4 to 187.9 for a  
gain of 13.9 on the week and a two-  
week advance of 35.3. Bullion  
was finally 25 cents higher at  
\$128.50, up 51 over the longer  
period.

## Marginal Golds registered

substantial gains reflecting further  
buying interest from Switzerland.

## South African-based Financials

were firmer in line with Golds  
and the premium. De Beers  
reflected the chairman's optimistic  
statement, adding 6 more to 250p  
—a gain of 2 over the week. In  
the London-based issues, Selection  
Trust rallied 10 to 52.5p, after  
50.5p; the shares have lost 35p  
over the week following the  
"rights" issue announcement on  
Tuesday.

## Coppers were quietly firmer

but Platinums were the subject of  
profit-taking following Thursday's  
sharp rise. Potlerters-  
dropped 10 to 19.7p but were still  
25 up on the week.

## Australians generally moved

ahead in line with the trend in  
overnight home markets, although  
Pacific Copper was a notable ex-  
ception and dropped 7 to 25p.

## Elsewhere, "Swaco" jumped 4

to 17.5p following the takeover  
offer reported in Bids and Deals.

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Friday, April 30, 1976		Thursday, April 29		Wednesday, April 28		Tuesday, April 27		Monday, April 26		Year to date (approx.)		Rights and Lows Index	
GROUPS & SUB-SECTIONS		Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change
CAPITAL GOODS (179)		158.04	+0.4	154.34	+0.8	152.52	+0.8	150.48	+0.8	147.57	+0.8	145.06	+0.8	140.00	+0.8
Building Materials (30)		144.05	+0.4	142.42	+0.8	140.80	+0.8	139.18	+0.8	137.56	+0.8	135.00	+0.8	130.00	+0.8
Contracting, Construction (23)		225.56	+0.4	223.93	+0.8	222.30	+0.8	220.68	+0.8	219.05	+0.8	217.43	+0.8	215.80	+0.8
Electricals (16)		279.95	+1.1	278.32	+0.8	276.69	+0.8	275.06	+0.8	273.43	+0.8	271.80	+0.8	270.17	+0.8
Engineering (Heavy) (13)		191.56	+0.8	189.93	+0.8	188.30	+0.8	186.67	+0.8	185.04	+0.8	183.41	+0.8	181.78	+0.8
Engineering (General) (63)		147.35	+0.2	145.72	+0.8	144.09	+0.8	142.46	+0.8	140.83	+0.8	139.20	+0.8	137.57	+0.8
Machine and Other Tools (3)		58.29	+0.5	56.66	+0.8	55.03	+0.8	53.40	+0.8	51.77	+0.8	50.14	+0.8	48.51	+0.8
Miscellaneous (25)		140.44	+0.5	138.81	+0.8	137.18	+0.8	135.55	+0.8	133.92	+0.8	132.29	+0.8	130.66	+0.8
CONSUMER GOODS (DURABLE) (53)		137.97	+0.6	136.34	+0.8	134.71	+0.8	133.08	+0.8	131.45	+0.8	129.82	+0.8	128.19	+0.8
L. Electronics, Radio TV (15)		154.68	+0.6	153.05	+0.8	151.42	+0.8	149.79	+0.8	148.16	+0.8	146.53	+0.8	144.90	+0.8
Household Goods (13)		178.74	+0.3	177.11	+0.8	175.48	+0.8	173.85	+0.8	172.22	+0.8	170.59	+0.8	168.96	+0.8
Motors and Distributors (25)		84.02	+0.4	82.39	+0.8	80.76	+0.8	79.13	+0.8	77.50	+0.8	75.87	+0.8	74.24	+0.8
CONSUMER GOODS (NON-DURABLE) (168)		155.13	+0.7	153.50	+0.8	151.87	+0.8	150.24	+0.8	148.61	+0.8	146.98	+0.8	145.35	+0.8
Breweries (15)		157.87	+1.0	156.24	+0.8	154.61	+0.8	152.98	+0.8	151.35	+0.8	149.72	+0.8	148.09	+0.8
Wines and Spirits (7)		185.24	+0.6	183.61	+0.8	181.98	+0.8	180.35	+0.8	178.72	+0.8	177.09	+0.8	175.46	+0.8
Entertainment, Catering (14)		189.95	+0.6	188.32	+0.8	186.69	+0.8	185.06	+0.8	183.43	+0.8	181.80	+0.8	180.17	+0.8
Food Manufacturing (22)		176.39	+1.2	174.76	+0.8	173.13	+0.8	171.50	+0.8	169.87	+0.8	168.24	+0.8	166.61	+0.8
Food Retailing (16)		137.79	+0.3	136.16	+0.8	134.53	+0.8	132.90	+0.8	131.27	+0.8	129.64	+0.8	128.01	+0.8
Newspapers, Publishing (16)		174.55	+0.1	172.92	+0.8	171.29	+0.8	169.66	+0.8	168.03	+0.8	166.40	+0.8	164.77	+0.8
Packaging and Paper (12)		108.54	+0.4	106.91	+0.8	105.28	+0.8	103.65	+0.8	102.02	+0.8	100.39	+0.8	98.76	+0.8
Stores (14)		127.71	+0.8	126.08	+0.8	124.45	+0.8	122.82	+0.8	121.19	+0.8	119.56	+0.8	117.93	+0.8
Textiles (23)		168.91	+0.3	167.28	+0.8	165.65	+0.8	164.02	+0.8	162.39	+0.8	160.76	+0.8	159.13	+0.8
Tobaccos (3)		227.95	+0.6	226.32	+0.8	224.69	+0.8	223.06	+0.8	221.43	+0.8	219.80	+0.8	218.17	+0.8



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BRITISH FUNDS

High	Low	Stock	Price	Div	Yield
100	99	British Funds	100	10	10
101	100	British Funds	101	11	11
102	101	British Funds	102	12	12
103	102	British Funds	103	13	13
104	103	British Funds	104	14	14
105	104	British Funds	105	15	15
106	105	British Funds	106	16	16
107	106	British Funds	107	17	17
108	107	British Funds	108	18	18
109	108	British Funds	109	19	19
110	109	British Funds	110	20	20

SPANISH AND HIRE PURCHASE

High	Low	Stock	Price	Div	Yield
111	110	Spanish and Hire Purchase	111	21	21
112	111	Spanish and Hire Purchase	112	22	22
113	112	Spanish and Hire Purchase	113	23	23
114	113	Spanish and Hire Purchase	114	24	24
115	114	Spanish and Hire Purchase	115	25	25
116	115	Spanish and Hire Purchase	116	26	26
117	116	Spanish and Hire Purchase	117	27	27
118	117	Spanish and Hire Purchase	118	28	28
119	118	Spanish and Hire Purchase	119	29	29
120	119	Spanish and Hire Purchase	120	30	30

INTERNATIONAL BANK

High	Low	Stock	Price	Div	Yield
121	120	International Bank	121	31	31
122	121	International Bank	122	32	32
123	122	International Bank	123	33	33
124	123	International Bank	124	34	34
125	124	International Bank	125	35	35
126	125	International Bank	126	36	36
127	126	International Bank	127	37	37
128	127	International Bank	128	38	38
129	128	International Bank	129	39	39
130	129	International Bank	130	40	40

CORPORATION LOANS

High	Low	Stock	Price	Div	Yield
131	130	Corporation Loans	131	41	41
132	131	Corporation Loans	132	42	42
133	132	Corporation Loans	133	43	43
134	133	Corporation Loans	134	44	44
135	134	Corporation Loans	135	45	45
136	135	Corporation Loans	136	46	46
137	136	Corporation Loans	137	47	47
138	137	Corporation Loans	138	48	48
139	138	Corporation Loans	139	49	49
140	139	Corporation Loans	140	50	50

COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price	Div	Yield
141	140	Commonwealth & African Loans	141	51	51
142	141	Commonwealth & African Loans	142	52	52
143	142	Commonwealth & African Loans	143	53	53
144	143	Commonwealth & African Loans	144	54	54
145	144	Commonwealth & African Loans	145	55	55
146	145	Commonwealth & African Loans	146	56	56
147	146	Commonwealth & African Loans	147	57	57
148	147	Commonwealth & African Loans	148	58	58
149	148	Commonwealth & African Loans	149	59	59
150	149	Commonwealth & African Loans	150	60	60

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Div	Yield
151	150	Foreign Bonds & Rails	151	61	61
152	151	Foreign Bonds & Rails	152	62	62
153	152	Foreign Bonds & Rails	153	63	63
154	153	Foreign Bonds & Rails	154	64	64
155	154	Foreign Bonds & Rails	155	65	65
156	155	Foreign Bonds & Rails	156	66	66
157	156	Foreign Bonds & Rails	157	67	67
158	157	Foreign Bonds & Rails	158	68	68
159	158	Foreign Bonds & Rails	159	69	69
160	159	Foreign Bonds & Rails	160	70	70

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Div	Yield
161	160	Beers, Wines and Spirits	161	71	71
162	161	Beers, Wines and Spirits	162	72	72
163	162	Beers, Wines and Spirits	163	73	73
164	163	Beers, Wines and Spirits	164	74	74
165	164	Beers, Wines and Spirits	165	75	75
166	165	Beers, Wines and Spirits	166	76	76
167	166	Beers, Wines and Spirits	167	77	77
168	167	Beers, Wines and Spirits	168	78	78
169	168	Beers, Wines and Spirits	169	79	79
170	169	Beers, Wines and Spirits	170	80	80

BUILDING INDUSTRY, TIMBER & ROAD

High	Low	Stock	Price	Div	Yield
171	170	Building Industry, Timber & Road	171	81	81
172	171	Building Industry, Timber & Road	172	82	82
173	172	Building Industry, Timber & Road	173	83	83
174	173	Building Industry, Timber & Road	174	84	84
175	174	Building Industry, Timber & Road	175	85	85
176	175	Building Industry, Timber & Road	176	86	86
177	176	Building Industry, Timber & Road	177	87	87
178	177	Building Industry, Timber & Road	178	88	88
179	178	Building Industry, Timber & Road	179	89	89
180	179	Building Industry, Timber & Road	180	90	90

AMERICANS

High	Low	Stock	Price	Div	Yield
181	180	Americans	181	91	91
182	181	Americans	182	92	92
183	182	Americans	183	93	93
184	183	Americans	184	94	94
185	184	Americans	185	95	95
186	185	Americans	186	96	96
187	186	Americans	187	97	97
188	187	Americans	188	98	98
189	188	Americans	189	99	99
190	189	Americans	190	100	100

CONVERSION FACTOR 0.6458 (1957)

FT SHARE INFORMATION SERVICE

BUILDING INDUSTRY - Continued

High	Low	Stock	Price	Div	Yield
191	190	Building Industry	191	101	101
192	191	Building Industry	192	102	102
193	192	Building Industry	193	103	103
194	193	Building Industry	194	104	104
195	194	Building Industry	195	105	105
196	195	Building Industry	196	106	106
197	196	Building Industry	197	107	107
198	197	Building Industry	198	108	108
199	198	Building Industry	199	109	109
200	199	Building Industry	200	110	110

DRAPERY AND STORES - Continued

High	Low	Stock	Price	Div	Yield
201	200	Drapery and Stores	201	111	111
202	201	Drapery and Stores	202	112	112
203	202	Drapery and Stores	203	113	113
204	203	Drapery and Stores	204	114	114
205	204	Drapery and Stores	205	115	115
206	205	Drapery and Stores	206	116	116
207	206	Drapery and Stores	207	117	117
208	207	Drapery and Stores	208	118	118
209	208	Drapery and Stores	209	119	119
210	209	Drapery and Stores	210	120	120

ENGINEERING - Continued

High	Low	Stock	Price	Div	Yield
211	210	Engineering	211	121	121
212	211	Engineering	212	122	122
213	212	Engineering	213	123	123
214	213	Engineering	214	124	124
215	214	Engineering	215	125	125
216	215	Engineering	216	126	126
217	216	Engineering	217	127	127
218	217	Engineering	218	128	128
219	218	Engineering	219	129	129
220	219	Engineering	220	130	130

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	Div	Yield
221	220	Industrials (Miscel.)	221	131	131
222	221	Industrials (Miscel.)	222	132	132
223	222	Industrials (Miscel.)	223	133	133
224	223	Industrials (Miscel.)	224	134	134
225	224	Industrials (Miscel.)	225	135	135
226	225	Industrials (Miscel.)	226	136	136
227	226	Industrials (Miscel.)	227	137	137
228	227	Industrials (Miscel.)	228	138	138
229	228	Industrials (Miscel.)	229	139	139
230	229	Industrials (Miscel.)	230	140	140

ELECTRICAL AND RADIO

High	Low	Stock	Price	Div	Yield
231	230	Electrical and Radio	231	141	141
232	231	Electrical and Radio	232	142	142
233	232	Electrical and Radio	233	143	143
234	233	Electrical and Radio	234	144	144
235	234	Electrical and Radio	235	145	145
236	235	Electrical and Radio	236	146	146
237	236	Electrical and Radio	237	147	147
238	237	Electrical and Radio	238	148	148
239	238	Electrical and Radio	239	149	149
240	239	Electrical and Radio	240	150	150

CHEMICALS, PLASTICS

High	Low	Stock	Price	Div	Yield
241	240	Chemicals, Plastics	241	151	151
242	241	Chemicals, Plastics	242	152	152
243	242	Chemicals, Plastics	243	153	153
244	243	Chemicals, Plastics	244	154	154
245	244	Chemicals, Plastics	245	155	155
246	245	Chemicals, Plastics	246	156	156
247	246	Chemicals, Plastics	247	157	157
248	247	Chemicals, Plastics	248	158	158
249	248	Chemicals, Plastics	249	159	159
250	249	Chemicals, Plastics	250	160	160

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Div	Yield
251	250	Engineering, Machine Tools	251	161	161
252	251	Engineering, Machine Tools	252	162	162
253	252	Engineering, Machine Tools	253	163	163
254	253	Engineering, Machine Tools	254	164	164
255	254	Engineering, Machine Tools	255	165	165
256	255	Engineering, Machine Tools	256	166	166
257	256	Engineering, Machine Tools	257	167	167
258	257	Engineering, Machine Tools	258	168	168
259	258	Engineering, Machine Tools	259	169	169
260	259	Engineering, Machine Tools	260	170	170

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Div	Yield
261	260	Cinemas, Theatres and TV	261	171	171
262	261	Cinemas, Theatres and TV	262	172	172
263	262	Cinemas, Theatres and TV	263	173	173
264	263	Cinemas, Theatres and TV	264	174	174
265	264	Cinemas, Theatres and TV	265	175	175
266	265	Cinemas, Theatres and TV	266	176	176
267	266	Cinemas, Theatres and TV	267	177	177
268	267	Cinemas, Theatres and TV	268	178	178
269	268	Cinemas, Theatres and TV	269	179	179
270	269	Cinemas, Theatres and TV	270	180	180

DRAPERY AND STORES

High	Low	Stock	Price	Div	Yield
271	270	Drapery and Stores	271	181	181
272	271	Drapery and Stores	272	182	182
273	272	Drapery and Stores	273	183	183
274	273	Drapery and Stores	274	184	184
275	274	Drapery and Stores	275	185	185
276	275	Drapery and Stores	276	186	186
277	276	Drapery and Stores	277	187	187
278	277	Drapery and Stores	278	188	188
279	278	Drapery and Stores	279	189	189
280	279	Drapery and Stores	280	190	190



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**YVES—Continued**

**WEST RAND**

	Price	±	at	30c	30c	YTD
						Gr%
50c	130	+	1030c	1.3	+	+
10c	140	+	1030c	1.3	+	+
20c	140	+	1030c	1.3	+	+
30c	140	+	1030c	1.3	+	+
40c	140	+	1030c	1.3	+	+
50c	140	+	1030c	1.3	+	+
60c	140	+	1030c	1.3	+	+
70c	140	+	1030c	1.3	+	+
80c	140	+	1030c	1.3	+	+
90c	140	+	1030c	1.3	+	+
100c	140	+	1030c	1.3	+	+
110c	140	+	1030c	1.3	+	+
120c	140	+	1030c	1.3	+	+
130c	140	+	1030c	1.3	+	+
140c	140	+	1030c	1.3	+	+
150c	140	+	1030c	1.3	+	+
160c	140	+	1030c	1.3	+	+
170c	140	+	1030c	1.3	+	+
180c	140	+	1030c	1.3	+	+
190c	140	+	1030c	1.3	+	+
200c	140	+	1030c	1.3	+	+
210c	140	+	1030c	1.3	+	+
220c	140	+	1030c	1.3	+	+
230c	140	+	1030c	1.3	+	+
240c	140	+	1030c	1.3	+	+
250c	140	+	1030c	1.3	+	+
260c	140	+	1030c	1.3	+	+
270c	140	+	1030c	1.3	+	+
280c	140	+	1030c	1.3	+	+
290c	140	+	1030c	1.3	+	+
300c	140	+	1030c	1.3	+	+
310c	140	+	1030c	1.3	+	+
320c	140	+	1030c	1.3	+	+
330c	140	+	1030c	1.3	+	+
340c	140	+	1030c	1.3	+	+
350c	140	+	1030c	1.3	+	+
360c	140	+	1030c	1.3	+	+
370c	140	+	1030c	1.3	+	+
380c	140	+	1030c	1.3	+	+
390c	140	+	1030c	1.3	+	+
400c	140	+	1030c	1.3	+	+
410c	140	+	1030c	1.3	+	+
420c	140	+	1030c	1.3	+	+
430c	140	+	1030c	1.3	+	+
440c	140	+	1030c	1.3	+	+
450c	140	+	1030c	1.3	+	+
460c	140	+	1030c	1.3	+	+
470c	140	+	1030c	1.3	+	+
480c	140	+	1030c	1.3	+	+
490c	140	+	1030c	1.3	+	+
500c	140	+	1030c	1.3	+	+
510c	140	+	1030c	1.3	+	+
520c	140	+	1030c	1.3	+	+
530c	140	+	1030c	1.3	+	+
540c	140	+	1030c	1.3	+	+
550c	140	+	1030c	1.3	+	+
560c	140	+	1030c	1.3	+	+
570c	140	+	1030c	1.3	+	+
580c	140	+	1030c	1.3	+	+
590c	140	+	1030c	1.3	+	+
600c	140	+	1030c	1.3	+	+
610c	140	+	1030c	1.3	+	+
620c	140	+	1030c	1.3	+	+
630c	140	+	1030c	1.3	+	+
640c	140	+	1030c	1.3	+	+
650c	140	+	1030c	1.3	+	+
660c	140	+	1030c	1.3	+	+
670c	140	+	1030c	1.3	+	+
680c	140	+	1030c	1.3	+	+
690c	140	+	1030c	1.3	+	+
700c	140	+	1030c	1.3	+	+
710c	140	+	1030c	1.3	+	+
720c	140	+	1030c	1.3	+	+
73						

**O.F.S.**

50c	135	+	1030c	1.3	+	6.1
10c	145	+	1030c	1.3	+	2.5
20c	155	+	1030c	1.3	+	9.3
30c	165	+	1030c	1.3	+	2.7
40c	175	+	1030c	1.3	+	2.2
50c	185	+	1030c	1.3	+	1.7
60c	195	+	1030c	1.3	+	1.2
70c	205	+	1030c	1.3	+	1.2
80c	215	+	1030c	1.3	+	1.2
90c	225	+	1030c	1.3	+	1.2
100c	235	+	1030c	1.3	+	1.2
110c	245	+	1030c	1.3	+	1.2
120c	255	+	1030c	1.3	+	1.2
130c	265	+	1030c	1.3	+	1.2
140c	275	+	1030c	1.3	+	1.2
150c	285	+	1030c	1.3	+	1.2
160c	295	+	1030c	1.3	+	1.2
170c	305	+	1030c	1.3	+	1.2
180c	315	+	1030c	1.3	+	1.2
190c	325	+	1030c	1.3	+	1.2
200c	335	+	1030c	1.3	+	1.2
210c	345	+	1030c	1.3	+	1.2
220c	355	+	1030c	1.3	+	1.2
230c	365	+	1030c	1.3	+	1.2
240c	375	+	1030c	1.3	+	1.2
250c	385	+	1030c	1.3	+	1.2
260c	395	+	1030c	1.3	+	1.2
270c	405	+	1030c	1.3	+	1.2
280c	415	+	1030c	1.3	+	1.2
290c	425	+	1030c	1.3	+	1.2
300c	435	+	1030c	1.3	+	1.2
310c	445	+	1030c	1.3	+	1.2
320c	455	+	1030c	1.3	+	1.2
330c	465	+	1030c	1.3	+	1.2
340c	475	+	1030c	1.3	+	1.2
350c	485	+	1030c	1.3	+	1.2
360c	495	+	1030c	1.3	+	1.2
370c	505	+	1030c	1.3	+	1.2
380c	515	+	1030c	1.3	+	1.2
390c	525	+	1030c	1.3	+	1.2
400c	535	+	1030c	1.3	+	1.2
410c	545	+	1030c	1.3	+	1.2
420c	555	+	1030c	1.3	+	1.2
430c	565	+	1030c	1.3	+	1.2
440c	575	+	1030c	1.3	+	1.2
450c	585	+	1030c	1.3	+	1.2
460c	595	+	1030c	1.3	+	1.2
470c	605	+	1030c	1.3	+	1.2
480c	615	+	1030c	1.3	+	1.2
490c	625	+	1030c	1.3	+	1.2
500c	635	+	1030c	1.3	+	1.2
510c	645	+	1030c	1.3	+	1.2
520c	655	+	1030c	1.3	+	1.2
530c	665	+	1030c	1.3	+	1.2
540c	675	+	1030c	1.3	+	1.2
550c	685	+	1030c	1.3	+	1.2
560c	695	+	1030c	1.3	+	1.2
570c	705	+	1030c	1.3	+	1.2
580c	715	+	1030c	1.3	+	1.2
590c	725	+	1030c	1.3	+	1.2
600c	735	+	1030c	1.3	+	1.2
610c	745	+	1030c	1.3	+	1.2
620c	755	+	1030c	1.3	+	1.2
630c	765	+	1030c	1.3	+	1.2
640c	775	+	1030c	1.3	+	1.2
650c	785	+	1030c	1.3	+	1.2
660c	795	+	1030c	1.3	+	1.2
670c	805	+	1030c	1.3	+	1.2
680c	815	+	1030c	1.3	+	1.2
690c	825	+	1030c	1.3	+	1.2
700c	835	+	1030c	1.3	+	1.2
710c	845	+	1030c	1.3	+	1.2
720c	855	+	1030c	1.3	+	1.2
73						

**FINANCE**

495	1030c	2.8	4.6
500	1030c	1.9	4.4
505	1030c	1.7	4.8
510	1030c	1.6	4.9
515	1030c	1.5	4.9
520	1030c	1.4	4.9
525	1030c	1.3	4.9
530	1030c	1.2	4.9
535	1030c	1.1	4.9
540	1030c	1.0	4.9
545	1030c	0.9	4.9
550	1030c	0.8	4.9
555	1030c	0.7	4.9
560	1030c	0.6	4.9
565	1030c	0.5	4.9
570	1030c	0.4	4.9
575	1030c	0.3	4.9
580	1030c	0.2	4.9
585	1030c	0.1	4.9
590	1030c	0.0	4.9
595	1030c	-0.1	4.9
600	1030c	-0.2	4.9
605	1030c	-0.3	4.9
610	1030c	-0.4	4.9
615	1030c	-0.5	4.9
620	1030c	-0.6	4.9
625	1030c	-0.7	4.9
630	1030c	-0.8	4.9
635	1030c	-0.9	4.9
640	1030c	-1.0	4.9
645	1030c	-1.1	4.9
650	1030c	-1.2	4.9
655	1030c	-1.3	4.9
660	1030c	-1.4	4.9
665	1030c	-1.5	4.9
670	1030c	-1.6	4.9
675	1030c	-1.7	4.9
680	1030c	-1.8	4.9
685	1030c	-1.9	4.9
690	1030c	-2.0	4.9
695	1030c	-2.1	4.9
700	1030c	-2.2	4.9
705	1030c	-2.3	4.9
710	1030c	-2.4	4.9
715	1030c	-2.5	4.9
720	1030c	-2.6	4.9
725	1030c	-2.7	4.9
730	1030c	-2.8	4.9
735	1030c	-2.9	4.9
740	1030c	-3.0	4.9
745	1030c	-3.1	4.9
750	1030c	-3.2	4.9
755	1030c	-3.3	4.9
760	1030c	-3.4	4.9
765	1030c	-3.5	4.9
770	1030c	-3.6	4.9
775	1030c	-3.7	4.9
780	1030c	-3.8	4.9
785	1030c	-3.9	4.9
790	1030c	-4.0	4.9
795	1030c	-4.1	4.9
800	1030c	-4.2	4.9
805	1030c	-4.3	4.9
810	1030c	-4.4	4.9
815	1030c	-4.5	4.9
820	1030c	-4.6	4.9
825	1030c	-4.7	4.9
830	1030c	-4.8	4.9
835	1030c	-4.9	4.9
840	1030c	-5.0	4.9
845	1030c	-5.1	4.9
850	1030c	-5.2	4.9
855	1030c	-5.3	4.9
860	1030c	-5.4	4.9
865	1030c	-5.5	4.9
870	1030c	-5.6	4.9
875	1030c	-5.7	4.9
880	1030c	-5.8	4.9
885	1030c	-5.9	4.9
890	1030c	-6.0	4.9
895	1030c	-6.1	4.9
900	1030c	-6.2	4.9
905	1030c	-6.3	4.9
910	1030c	-6.4	4.9
915	1030c	-6.5	4.9
920	1030c	-6.6	4.9
925	1030c	-6.7	4.9
930	1030c	-6.8	4.9
935	1030c	-6.9	4.9
940	1030c	-7.0	4.9
945	1030c	-7.1	4.9
950	1030c	-7.2	4.9
955	1030c	-7.3	4.9
960	1030c	-7.4	4.9
965	1030c	-7.5	4.9
970	1030c	-7.6	4.9
975	1030c	-7.7	4.9
980	1030c	-7.8	4.9
985	1030c	-7.9	4.9
990	1030c	-8.0	4.9
995	1030c	-8.1	4.9
1000	1030c	-8.2	4.9
1005	1030c	-8.3	4.9
1010	1030c	-8.4	4.9
1015	1030c	-8.5	4.9
1020	1030c	-8.6	4.9
1025	103		



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## MAN OF THE WEEK

## A change in the system

BY PETER HENNESSY

MR. HUGH DELARGY, the tall, engaging, clubbable Labour MP for Thurrock exercised his prerogative as chairman of the Commons Committee of Selection last Wednesday and used his casting vote to defeat a Conservative motion designed to give the Opposition party with the Government on standing committees of the House now that Labour finds itself without an overall majority in Parliament.

In so doing he stirred up a first class constitutional row that will keep a dozen Ph.D. candidates in business for at least five years.

Constitutional experts in the universities are already claiming that the move is without precedent since the Committee was first appointed in 1839. The Speaker and the Clerks of the House of Commons, they add, have been placed in an impos-



sible and embarrassing position. Mr. Delargy, a devout Catholic and a Bachelor of Divinity and Canon Law at the Gregorian University in Rome and a man who knows a good dogmatic argument when he sees one, will have none of it.

As he will not doubt inform the Opposition when he opens the debate on Monday night, Mr. Delargy takes the view that if a Bill which has a clear majority on its second reading in the Chamber should find itself with minority support upstairs, in committee, it would be "the very negation of Parliamentary democracy". To treat four minority parties as a monolithic group for the purpose of selecting committee members is absurd, he believes. They are all independent and not one of them is "an appendix to the Tory Party".

Mr. Delargy becomes very heated when people suggest that the Government put him up to it. "On my word of honour, I was never told by the Chief Whip or the Leader of the House to do this. They didn't tell me any instructions, but I would have done it for them. At my age (he is 67) you don't have ambition," he said in his fine Mancunian tones, tinged with Irish. (The only other thing that makes him furious is when people refer to him as Captain Delargy, a title he claims he has tried to shed for years, but in vain.)

A man of great spirit, he has never been anybody's pawn. In 1952 he resigned as assistant Whip three minutes before being elected a three-time Member of Parliament and being elected against German rearmament. On a famous occasion in 1954, as a member of a Parliamentary delegation to Poland, he was shown a war memorial to the German Red Army. "Never before was a monument put up to an army that never arrived," he said, thereby causing an uproar. Mr. Delargy has never forgiven the Russians for halting their advance until the Germans had put down the Warsaw Rising in 1944.

Another fear expressed by learned constitutional historians about this week's events is that they may have transformed the traditionally neutral Committee of Selection into a political party. To some observers, in fact, Mr. Delargy might seem to fulfil to perfection the combination of poetry and Tammany which has been the outstanding feature of the political tradition of Democratic Irish politics in the United States.

But for him it is simply a matter of commonsense and has nothing to do with backstairs deals. The only statement he gave, in Erskine May to guide himself, the Speaker and the Clerks of the House is the one requiring "in the nomination of members (to second reading committees) the Committee of Selection is to have regard to their qualifications and to the composition of the House."

"I'm not talking about machine politics. I'm an innocent chap," he says, a huge smile lighting up his ruddy, expressive face crowned with a shock of white hair. "I've never before in my life been in a position where I had to choose one. But he jumped at the suggestion that he might devote his next column in *The Observer* to comparing the politics of the Roman Curia with those of the Committee of Selection. "I know all about those things," said "I was at the Gregorian"

## FINANCIAL TIMES

Saturday May 1 1976

## Texaco makes new North Sea oil find

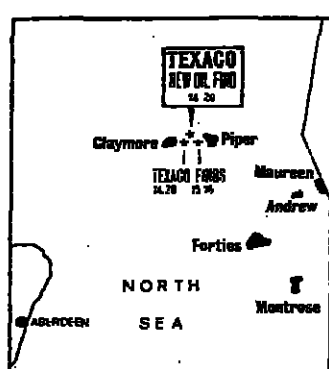
BY RAY DAFTER, ENERGY CORRESPONDENT

TEXACO has made a new oil discovery on block 14/20 of the North Sea, some 119 miles East of Aberdeen and close to the Occidental group's Piper and Claymore fields.

The find enhances the possibility that the oil company may decide to develop its proven reserves in the area. Mr. Maurice Granville, chairman and chief executive officer of Texaco, said in Houston earlier this week that discoveries on the adjoining block, 15/16, "clearly indicate potential for commercial production."

Texaco is now stepping up its testing programme to see whether structures on 14/20 are also worth developing in association with 15/16.

The find, announced yesterday, is the second to be made on block 14/20, although they have been made on separate formations of a faulted geological trend. The latest well, which follows three dry holes, was drilled in 422 ft of water and flowed at the rate of 3,386 barrels a day. The size of the test choke was not disclosed.



The previous successful well on the block was tested in February, 1975, at 7,605 barrels a day through a 12-inch choke. Texaco's interest in the block is borne out by the presence of two drilling rigs. The semi-submersible rig Drillingmaster has been drilling a sixth exploration well on the block since April 4, while the Sedneth 701 rig, which made the latest discovery, is being moved three miles East-south-east to drill a seventh well. The Texaco group holds full or partial interest in 771,000 acres in 18 blocks of the U.K. sector of the North Sea. Discoveries have so far been made on seven of these concessions. Its discoveries last year contributed to the 27 per cent improvement in Britain's proven reserves of offshore oil over the past 12 months. These reserves now stand at 1,350m. tonnes.

## Town and Commercial seeks loan interest deal

BY QUENTIN GUIDHAM

TO AVOID liquidation, Town and Commercial Properties is seeking a partial interest payment moratorium for two and a-half years from creditors who are owed £104m.

The company's hand has been forced by inability to meet interest payments on its £20.8m. unsecured loan stock due in June. On May 10, the Board will hear reactions to the scheme from 42 banks, which have £19.9m. of secured lendings to Town and Commercial.

The bankers are being offered, in the place of present interest charges, the net income from properties which are charged to them. Any deficiency would be rolled up.

The position of preferential creditors, mainly the Inland Revenue, would be preserved. But unsecured creditors—mainly banks and loan stockholders—will be asked to allow all interest to be rolled up.

Mr. John Hines, chairman, said yesterday that the interest payable to secured creditors at 29.6m. a year, with the company's total interest bill around £10m. put to holders of two other

quoted stocks from Town and Commercial subsidiaries, the £1,058,700 8½ per cent. Unsecured Loan Stock 1967-92 of Sims Securities Trust, and the £91,100 5 per cent. Unsecured Loan Stock 1985 of Manchester Corn, Grocery and Produce Exchange.

Interest would, however, be paid, because of the nature of its security, on the £639,176 7 per cent. First Mortgage Debenture Stock 1983-83 of St. Mary Abbots Investments.

The price of these loan stocks in the market has reflected the position of Town and Commercial as probably the most illiquid of the major property groups still surviving. The Town and Commercial stock ended yesterday at 41p, the price remained the same at 41p.

While Slater Walker Securities has no loans outstanding to Town and Commercial, it now controls, as security for banking loans, a 36 per cent. stake in the company's equity which has been held by Charles Spreckley Industries, currently in receivership.

Similar proposals will also be put to holders of two other

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## MPs likely to press Ministers on Rhodesian timber revelations

FINANCIAL TIMES REPORTER

QUESTIONS by MPs about revelations that the National Coal Board received a consignment of Rhodesian timber are expected to be tabled in the Commons next week for Mr. Eric Varley, Secretary for Industry, and Mr. Anthony Wedgwood Benn, Secretary for Energy.

On Monday, Mr. Christopher Tugendhat, Conservative MP for the Cities of London and Westminster and a leading Shadow spokesman on foreign affairs, is to question the Government on the apparent breach of British sanctions legislation.

Yesterday the initial reaction at Westminster to the disclosures in the Financial Times was one of shock that a major nationalised industry was involved.

Questions will be aimed at discovering how the deal was authorised.

Mr. Russell Kerr, Labour MP for Feltham and chairman of the Select Committee on

Nationalised Industries, said that the case of the Rhodesian timber delivered to the NCB in 1974 underlined the need for continuing Parliamentary surveillance over the activities of the nationalised industries.

Other backbenchers said they would make efforts to discover at what level within the NCB the decision had been made to take delivery of the timber from P. McAlister, an old established company with timber yards near Perth.

Neither the Department of Industry nor the Department of Energy had any knowledge of the transaction, which involved an initial consignment of 3,000 cubic feet of Rhodesian timber, and were awaiting completion of the inquiry already instituted by the NCB.

A Foreign Office spokesman said last night that the Foreign and Commonwealth Office is to make its own inquiries into the incident, which runs counter to

the ten-year-old ban on British trade with Rhodesia.

Investigations are expected to involve the Department of Trade and the Customs and Excise Department. The Foreign Office spokesman said that if the various Whitehall departments concerned were satisfied there had been a breach of sanctions, the matter would be referred, as in similar cases in the past, to the Director of Public Prosecutions.

The NCB, whose inquiry is expected to begin on Monday, has indicated that everyone involved in the deal, whether inside the NCB or outside it, will be interviewed.

A spokesman yesterday emphasised that the total consignment shipped, as indicated by documents in the possession of the Financial Times, was far larger than the timber received by the NCB. This suggested, he said, that there had been other recipients of Rhodesian timber besides the NCB.

be maintained and, as the party itself expects, be improved upon by at least two or three percentage points.

It looks, at this early stage, like being a finely drawn battle, and while little in percentage terms may separate ultimately the Christian Democrats and Communists, it will be a very considerable psychological importance both domestically and internationally which of these two parties emerge ahead.

Continued from Page 1

## Italian Government resigns

Continued from Page 1

In Parliament except the neo-fascists, but this will need the cooperation of the Christian Democrats and their right wing faction may prefer to sit in opposition rather than sit in a cabinet with a number of Communist ministers.

The Socialists, Italy's third largest party, expect to make some gains in the next elections and at that event might even advocate a "popular front" with the Communists.

However, the PCI leadership is known to be anxious to avoid such an experiment in Italy, believing that it would lack the kind of national consensus necessary to tackle the country's economic and social problems and could well result in widespread civil unrest in the country inspired by the neo-fascists and other right-wing elements.

The Christian Democrats, who have ruled Italy either alone or in coalition for the past 30 years, will enter new elections with the party badly divided on policies and electoral strategies and rocked by a series of major scandals.

Continued from Page 1

for the Italian air force. It is conceivable, of course, that the Christian Democrats, who control the 35 per cent. of the popular vote in the 1975 regional elections, may now have reached, or at least have come very close to, the limit of their electoral losses.

The Communists, for their part, have also to demonstrate that their 6 per cent. advance to 33.5 per cent. last June over the 1972 general election can

be maintained and, as the party itself expects, be improved upon by at least two or three percentage points.

It looks, at this early stage, like being a finely drawn battle, and while little in percentage terms may separate ultimately the Christian Democrats and Communists, it will be a very considerable psychological importance both domestically and internationally which of these two parties emerge ahead.

As part of the scheme, the capital of TST must be reorganised by the elimination of BAT's and Imps' holdings in the company and the conversion of the deferred stock of TST into Ordinary shares, together with a capitalisation issue of three ordinary shares for each one deferred stock unit held to compensate for the differences in rights between the two classes of stock.

Taking this into account, each TST Ordinary stock unit will get 1977.

one share in BAT Industries; each TST Deferred stock unit will get four shares in BAT Industries, and each 10 BAT Ordinary stock units will receive 12 shares in BAT Industries and one BAT Industries Deferred share.

It is intended to recommend total dividends for the period ending September 30, 1976, of 12.5p per BAT Ordinary share, together with a capitalisation issue of three ordinary shares for each one deferred stock unit held to compensate for the differences in rights between the two classes of stock.

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## Thatcher warns on wage pact euphoria

By Richard Evans, Lobby Editor

A CAMPAIGN to warn the country against "unjustified euphoria" when a wages pact is concluded between the Government and trade unions was launched yesterday by Mrs. Margaret Thatcher.

She said it would be fatal to believe that the country's only illness was wage inflation or that the only treatment needed was a direct policy to combat that inflation.

Mrs. Thatcher said in her Finchley constituency: "An incomes pact will not solve our problem on its own. It must be accompanied by other measures. These are still lacking today."

## 'Bungled'

Mr. John Biffen, shadow spokesman on energy, said in Liverpool that the Budget had been dreadfully bungled and the Government had put into disarray both the exchange rate and domestic monetary policies.

Roy Rogers, Labour Correspondent, writes: Weekend commitments by the Chancellor make it extremely unlikely that his pay policy negotiations with TUC leaders will resume before Monday.

Talks which at one time were being arranged for yesterday evening did not materialise, at least in part, because Mr. Healey left London for his Leeds constituency.

Before the delicate negotiations resume, probably on Monday, the Chancellor is expected to use the opportunity of a week-end speech to a Nottingham May Day rally to underline the need for a further period of wage restraint.

## Figures

Over the past two days, Treasury and TUC officials have been working on suggested figures to fit the outline of the proposed policy, tentatively agreed last Wednesday. The outcome is certain to be a compromise between the Chancellor's Budget offer of a 3 per cent. nominal linked to 15b. of tax concessions and the 5 per cent. plus tax relief suggested by the TUC.

## Weather

U.K. TO-DAY  
RAIN at times.  
London, S.E. Cent. S.W. and E. England, E. Anglia, E. Midlands, Channel Is.  
Cloudy, sunny intervals, winds westerly light. Max. 14C (57F).

W. Midlands, S. Wales  
Cloudy, winds S.W., light to moderate. Max. 13C (55F).

N. Wales, N.W. N.E. and Cent. N. England  
Cloudy, some rain or drizzle. Wind S.W. moderate or fresh. Max. 12C (54F).

Lakes, Isle of Man, S.W. Scotland, N. Ireland  
Rain at times. Winds S.W. moderate or fresh. Max. 12C (54F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth  
Rain at times. Winds fresh or strong, decreasing to moderate. Max. 11C (52F).

Glasgow, Cent. Highlands, N.E. and N.W. Scotland, Argyll  
Rain clearing to showers and bright intervals. Winds S. strong. Max. 11C (52F).

Orkneys, Shetland  
Rain at times, clearing. Winds S. fresh or strong. Max. 9C (48F).

Outlook: Changeable with rain in most parts. S. England mostly dry at first, near normal temp. Lighting-up: London 20.53, Manchester 21.08, Glasgow 21.24, Belfast 21.27.

## BUSINESS CENTRES

City	1st day	2nd day
Alexandria	24 75	25 75
Amsterdam	24 75	25 75
Antwerp	24 75	25 75
Bombay	24 75	25 75
Buenos Aires	24 75	25 75
Calcutta	24 75	25 75
Canton	24 75	25 75
Cebu	24 75	25 75
Colon	24 75	25 75
Hankow	24 75	25 75
Hong Kong	24 75	25 75
Kobe	24 75	25 75
London	24 75	25 75
Lyons	24 75	25 75
Manila	24 75	25 75
Medan	24 75	25 75
Shanghai	24 75	25 75
Singapore	24 75	25 75
Sourabaya	24 75	25 75
Tientsin	24 75	25 75
Yokohama	24 75	25 75

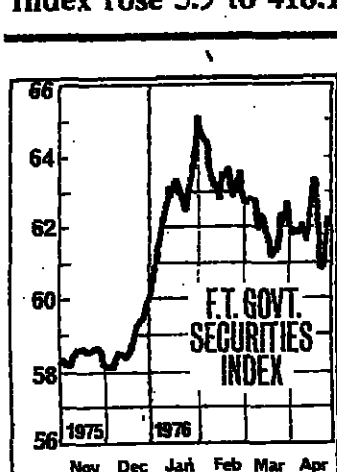
## HOLIDAY RESORTS

City	1st day	2nd day
Alexandria	24 75	25 75
Amsterdam	24 75	25 75
Antwerp	24 75	25 75
Bombay	24 75	25 75
Buenos Aires	24 75	25 75
Calcutta	24 75	25 75
Canton	24 75	25 75
Cebu	24 75	25 75
Colon	24 75	25 75
Hankow	24 75	25 75
Hong Kong	24 75	25 75
Kobe	24 75	25 75
London	24 75	25 75
Lyons	24 75	25 75
Manila	24 75	25 75
Medan	24 75	25 75
Shanghai	24 75	25 75
Singapore	24 75	25 75
Sourabaya	24 75	25 75
Tientsin	24 75	25 75
Yokohama	24 75	25 75

## THE LEX COLUMN

## A TST match for BAT

Index rose 5.9 to 418.1



Equities have staged a good rally this week, ending only 11 points below the 1976 peak on the FT Index reached last Wednesday week before the interest rate panic button was pushed. Gilt, too, have been encouraged by the relative firmness of sterling, recovering more than half of the drop caused by the MLR hike. The shape of the wages formula likely to emerge next week is, of course, the crucial factor, and the unwillingness of the Government to supply gills at the lower levels of the past few days may reflect official optimism that stock market conditions will become more favourable when a deal is signed and sealed. But the situation is very fluid; there are uncomfortable parallels with the EEC referendum last June, which turned out to be a selling signal for equities (though not for gilts).

## BAT/TST

News of the proposed merger of British-American Tobacco and Tobacco Securities Trust last night added over £50m.—some 8 per cent.—to the joint capitalisation of the two companies. This is despite the slight dilution—around 1 per cent.—implied for both the earnings and assets attributable to BAT shares. The benefits for holders of TST are obvious enough, with the terms of the reverse takeover of BAT generous enough to leave the Ordinary shares up more than half to 300p. For BAT, the deal has been sweetened by the incidental scope for stepping outside the rigid framework of dividend restraint.

Since the new holding company BAT Industries will effectively be a continuation of TST, and its equivalent dividends on the proposed terms are rather higher than for BAT, there is some opportunity for leapfrogging. In fact the impact will be spread by including one deferred share—not entitled to dividends before 1979-80—as well as 12 Ordinary shares in a package offered for every 10 existing BAT Ordinary. Even so, BAT dividends will rise by 16 per cent. this year and a fifth next year.

The whole deal appears to be the result of a number of pieces of the jigsaw falling into place at the same time. BAT has been seeking a cheap way to set up a holding company; TST has only recently lost investment

June the group would in event not have been able to pay interest on the £20.7m. veritable, and it has already rolling up interest on its debt.

The intention is to bridge gap of £3m. to £4m. between interest payments and rent that the group should be making even on profit and account. The 42 secured creditors are claimed to be "sympathetic" to the plan and the stockholders' attitude will part turn on their response. Groups are presented with familiar Hobson's choice of giving their chance on who might be produced by the rug out now, or play waiting game. There is a little room for manoeuvre as now over £100 which over half is over: shareholders' funds are £15m. Although a price was made in the last against developments, the been no up-to-date review of investment properties none is intended. The are currently 41p—capitalisation of £450.000

## J. Hepworth

Hepworth's interim profit almost one-third low £1.52m. pre-tax on a decline of one-tenth. Since the menswear multiple the period—the six months February—were up 3 p so presumably Hep volume drop of a quarter worse than the average so the result cannot bring comfort to the sharehold. Burton Group which is release figures for a con half-year next Wednesday.

## Town and Commercial

Town and Commercial is at long last putting forward proposals for the deferment of certain interest on loans while it attempts an "orderly disposal" of properties. The real time factory repair costs puzzle is why this step has taken down from £0.45m. to so long; after all, the group has appeared one of the most vulnerable of the property majors for some time with a published debt/equity ratio of 5-to-1. The separate financial problems of the major shareholder (Charles Spreckley) that basis a yield of 8.7 p have clearly added to the internal uncertainties and delays but it is now in receivership. Moreover, this deteriorating

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If you wish to reinvest the income please tick this box for Accumulation Units

Signature(s) Joint applicants, all must sign. State Mr/Mrs/Ms or Titles and Surnames.

Full Name(s) Address

Share exchange scheme tick box for details Monthly savings scheme tick box for details

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